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## CHINA'S FINANCIAL FRONT AFTER FOUR YEARS REVIEWED

### ECONOMIC STRUCTURE IN PROTRACTED HOSTILITIES MORE CONDUCTIVE TO THE CONSERVATIVE POLICY OF MILITARY AND FINANCIAL RESISTANCE—DR. KUNG

#### Chances Of Ultimate Victory Depend Mainly On Playing For Time

"IN THE PRESENT HOSTILITIES, CHINA AND JAPAN ARE POLES APART IN BOTH THEIR MILITARY STRATEGY AND FINANCIAL POLICIES. Being primarily an agricultural nation with abundant hidden wealth, China's economic structure in protracted hostilities is more conducive to the conservative policy of military and financial resistance, and the chances of its ultimate victory depend mainly on playing for time and on the co-ordinated development of personal and national productive power. For China, this is the logical wartime policy from the standpoints of both military strategy and financial power," said DR. H. H. KUNG, MINISTER OF FINANCE, in the course of a statement, entitled "China's Financial Front After Four Years" issued on the eve of the fourth anniversary of the Sino-Japanese War.

The full text of Dr. Kung's statement is as follows:

#### HEAVY OUTLAYS REQUIRED FOR WAR RELIEF PURPOSES

The problems and difficulties confronting China's wartime finances are numerous. Ways and means have to be found for meeting a war budget several times larger than peacetime expenditure. Heavy outlays are required for war relief purposes arising from the enormous destruction of life and property both in the front and in the rear. Still larger funds are to be provided to accelerate reconstruction projects essential to national defence and rehabilitation. The nation's financial and economic resources have to be mobilised and co-ordinated in order to overcome the wartime difficulties hampering the normal development of trade, industry, mining, agriculture and communications. Sound financial measures have to be adopted to assure the maintenance of the stability of the nation's currency and credit structure.

New taxation could not be expected to replace immediately the losses China's public finances have suffered from the seizure and destruction of its revenue sources by the invading forces. Since China has not yet developed a relatively productive system of direct taxation, elasticity of tax yield is difficult to obtain even under normal conditions. China having a low capita wealth, the people's tax-paying capacity could not be increased overnight to meet the country's urgent needs. Lack of full jurisdiction over foreigners and in the foreign concessions and settlements has added to China's difficulties in enforcing rigid measures of financial control such as adopted by other countries at war.

#### PRIMARY PROBLEM

"Obviously, the primary problem of China's wartime finance is to raise funds to provide the needs of war as well as to meet the demands of war relief and accelerate various projects essential to national defence and reconstruction.

"There are, as a rule, four principal methods of war financing: namely, voluntary contributions, increased taxation, loan flotation and note-issue expansion. Aside from those of requisition, mobilisation of war fund reserve and conversion of state properties. Although China, like any country at war, has resorted to these usual means the fundamental feature of its financial policy should be noted. Study of wartime financial policies of different countries shows that, with divergent backgrounds and objectives, they may be divided into two groups: (1) countries with limited natural resources usually rely on reckless expedients



DR. H. H. KUNG

to finance their military needs hoping to attain a quick and decisive victory; and (2) countries with rich resources generally prefer cautious conservative methods of war financing with minimum danger to national recovery in order to achieve ultimate victory after a protracted struggle.

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### Chinese In Malaya Send Message To Chungking

SINGAPORE, July 6 (Reuter)—Overseas Chinese are undecieved by the Nipponese declarations of "sincere friendship," said DR. LIM BOON-KENG broadcasting from Singapore, on behalf of overseas Chinese in Malaya, a message to Chungking.

He said overseas Chinese feel saddest and horrified when they think of the terrible disasters and holocaust of human lives in the invaded territories of their fatherland.

Consequently, men, women and even children feel it their duty to make utmost sacrifices in order to contribute for help and comfort of the victims of war.

Chinese throughout Malaya and elsewhere abroad have greatest confidence in their compatriots at home never to shrink of any compromise in yielding until victory is achieved because they know the nation is fighting for the defence of righteousness and democratic freedom as England is doing in the West.

#### WILL JAPAN TAKE THE PLUNGE?

LONDON, July 6 (Reuter)—The Far Eastern situation is receiving increasing attention in London, says Reuter's Diplomatic correspondent.

He adds that the frequent Japanese Cabinet meetings, Mr. Matsuoka's careful speeches and the veiled threats in Japanese newspapers against the N. E. I. seem to portend an early crisis, but whether Japan, under Axis pressure or spurred by her own aims, will take the plunge, is still doubted.

### ITALIAN CRUISER SUNK

An Italian cruiser (10,000 tons), of the Zara Class, was sunk by a submarine of the Mediterranean Fleet on June 29, according to an Admiralty communique.

The cruiser had a complement of 700, with two aircraft, eight 8-in. and 12 3.9-in. guns, as well as A.A. armament and torpedo tubes. The communique states that the cruiser was with another cruiser, in company with four destroyers, when she was hit by two torpedoes and her magazine blew up.

#### LORD HALIFAX

Lord Halifax, the British Ambassador to the United States, is returning to London shortly for a chat with his colleagues on the War Cabinet.

#### FIRST AUSTRALIAN MINISTER TO CHINA

Sir Frederic Eggleston has been appointed first Australian Minister to China.

He was Attorney-General and Solicitor-General in Victoria from 1924 to 1927 and was Chairman of the Commonwealth Grants Commission in 1934.

### DANGERS OF JAPANESE DRIVE SOUTHWARDS EMPHASISED BY THE TIMES: ABOUT TO MAKE MOVE WHICH IS NOT ANTI-SOVIET

LONDON, July 6 (Reuter)—The dangers of a Japanese drive southwards and the need for Britain to watch developments there were emphasised by the Diplomatic correspondent of THE TIMES.

The correspondent says: "NEWS REACHING LONDON IN THE PAST FEW DAYS HAVE SUGGESTED THAT JAPAN IS KEEPING UP THE DRIVE SOUTHWARD AND IS SEEKING AIR AND NAVAL BASES IN SOUTHERN INDO-CHINA AND THAILAND. Nothing is known for certain but the speeches of Prince Konoye and Mr. Matsuoka at the beginning of the week hinted that Japan was about to make a move which would not be anti-Soviet."

The correspondent points out that Japan has the right to pass troops through Northern Indo-China and has increased her influence in Indo-China and Thailand.

He says that both Indo-China and Thailand have valuable harbours, particularly Camranh, and

that an arc drawn from them, with a radius of 750 miles, cuts the Philippines, North Borneo and Malaya and that from the southernmost point of Thailand, Singapore is only 350 miles away.

#### -On Other- Pages

- 2—Lawn bowls; Aquatic gala at Letchworth; Big baseball upset; Bicycle racing contest.
- 3—Radio programmes; Coming events; Crossword puzzle.
- 4—Findings of Chungking tunnel tragedy; Sweden's apology; British bomber offensive centred on Krupp's armament factory; Air losses in June.
- 5—Decrease recorded in visible trade of Colony; No men to leave H.K.; To aid China's transportation problems; Sympathy strike at Talkoo Docks.
- 6—Leading article: From Strength to Strength.
- 6—Round the Police Courts.

#### CHINA'S LEADERS



Generalissimo Chiang Kai-shek and Madame Chiang Kai-shek with a number of foreign correspondents in China's war-time capital.

### Confidence Behind Review By Chinese War Minister

CHUNGKING, July 6 (Reuter)—Confidence lies behind the statement made today by GENERAL HO YING-CHIN, WAR MINISTER, reviewing the Japanese situation on the occasion of the 4th anniversary of the outbreak of the China War.

"Despite every attempt by the Japanese to break through in recent months," he declared, "we are holding firmly the line, from the North to the South, of 2,800 miles."

General Ho estimated that up to the end of 1940 Japanese losses in China exceeded 1,600,000 killed and wounded. Referring to the strength of the Chinese Army, the War Minister

declared: "We have over 300 divisions with 5,000,000 soldiers in the field and 10,000,000 more in reserve or in training behind the lines."

"Over 1,100,000 guerrillas are harassing the enemy garrisons and lines of communication while more than 600,000 regular troops are operating behind the Japanese lines."

#### AIR LOSSES

In the four years of war, the Chinese have succeeded in destroying over 1,000 Japanese aircraft, according to official figures released by the Chinese Air Force. Of these, 321 were claimed to have been shot down by Chinese planes, 290 destroyed on ground, 170 shot down by A.A. fire, 138 shot down by ground forces, 97 destroyed by guerrillas and 45 crashed behind or close to the Chinese lines.

These figures, it is added, do not include Japanese planes damaged and unlikely to have returned to their bases nor those lost in accidents behind the Japanese lines.

Fifty-four Japanese airmen were taken prisoners by the Chinese, it is further claimed, while more than 1,200 dead Japanese airmen were found.

#### RENEW OFFENSIVE

Outside the few surprise attacks by the Chinese bombing squadrons, the Chinese statement reveals the Chinese Air Force is at present remaining inactive but predicted, it

### Big Counter-Attacks By Soviet Troops

MOSCOW, July 6 (Reuter)—Soviet troops on Saturday launched three big counter-attacks—one in the North against German forces aiming toward Leningrad and two further South against two main prongs of the German pincer movement along Napoleon's road toward Moscow through Smolensk.

A Soviet War communique issued in the early hours of Sunday morning states German troops have been hurled back from the town of Ostrov in the railway from Dvinsk toward Leningrad.

Hundreds of Nazi tanks and masses of motorised infantry were destroyed.

#### FORCED BACK

At Poltsk, 135 miles north-west of Smolensk, the Soviet counter-attack forced back the Nazi forces across the River Dvina which they

### HONGKONG CHINESE RENEW LOYALTY TO CHIANG

BROADCAST BY MR. M. K. LO

"As we remember the services of our women behind the front—we inevitably think of our great men defending that front and our great leader, Generalissimo Chiang Kai-shek. To him and his brilliant helpmate and wife, we send our deepest respect and affection, renewed affirmations of loyalty, our love of our country and devotion to her cause."

"To our gallant soldiers, we pay tribute to their valour and honour their undying heroism. May they and our leaders go on from strength to strength and may God guide and protect them until the dawning of the great day of victory!"

Thus spoke the HON. MR. LO MAN-KAM, C.B.E., when he broadcast.

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### Americans Answer British Call

LONDON, July 6 (Reuter)—The NEW YORK SUN, writing on June 30, said, "Americans from every State in the Union are answering the British call for non-combatant civilian technical corps."

"Applicants in the first contingent of volunteers are expected to sail from an unnamed Canadian port. They will comprise radio technicians, metal workers, electricians, mechanics, machine tool setters and operators, workmen skilled in building and maintaining marine engines. The majority will serve as radio locators."

"More than 3,000 applications were received during the first week of recruiting, and each mail brings in scores of others. Applications have come from people from every station of life."

is likely to renew the offensive some time this summer.

In this connexion, it is pointed out that American air volunteer pilots are at present on their way to China from the United States under the programme of American aid for China.

previously succeeded in crossing and where the Germans were developing one of the main pincer movements.

A third Russian counter-attack took place in fierce fighting around Borisov on the Beresina River, east of Minsk.

The Soviet Air Force raided the Rumanian Black Sea ports of Constantza and Sulina as well as the Russian oil pipeline in the centre of Ploesti.

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General Manager

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## CRAIGENGOWER FIRM FAVOURITES FOR BOWLS CROWN: RECREIO "A" TROUNCED AT VALLEY

### Kowloon Tong G.C.A. In Good Position In The Race For Second Div. Honours

LAST YEAR'S FIRST DIVISION CHAMPIONS, RECREIO "A", SUFFERED YET ANOTHER REVERSE when they were beaten on all rinks by Craigengower C.C. in their bowls league match at the Valley on Saturday.

As a result of their win Craigengower, with two games in hand, are now firm favourites for the championship which they last won in 1938.

In the Second Division, Prison Officers did well to inflict a three-rink win over Craigengower as a result of which Kowloon Tong are now in a sound position as Kowloon Football Club, strong challengers, faltered in their match against Hongkong Football Club.

Kowloon Bowling Green Club, 15: C. S. M. Thom, C. R. Logan, J. V. Ramsay, A. M. Calman (s) 15; R. H. A. Lapsley, J. Revie, T. Coleman, M. Ferguson (s) 13. Total 43.

#### THE RESULTS

Following are the results:

#### FIRST DIVISION CHAMPIONS TROUNCED

At the Valley, Craigengower Cricket Club beat Club de Recreio "A" on all three rinks (5 pts. to 0).

C.C.C.—A. M. Omar, K. M. Omar, R. Bass, U. M. Omar (s) 28; J. W. Leonard, L. C. R. Souza, A. E. Coates, B. W. Bradbury (s) 24; A. A. Razack, L. Gaddi, J. S. Landolt, C. S. Rossetti (s) 28. Total 80.

Recreio "A"—L. F. Xavier, H. A. Alves, J. E. Noronha, F. X. Silva (s) 19; J. A. Luz, C. E. Marques, J. F. V. Ribeiro, C. G. Silva (s) 16; F. X. Soares, C. Roza-Perreira, F. V. V. Ribeiro, R. F. Luz (s) 18. Total 53.

#### CIVIL SERVANTS LOSE

At Cox's Road, Kowloon Cricket Club beat Civil Service Cricket Club by 2 rinks to 1 and on aggregate (4 pts. to 1).

K.C.C.—N. D. Lloyd, A. W. Ramsey, G. Taylor, N. Bebbington (s) 24; A. E. Perry, L. Jack, A. W. Smith, E. C. Fincher (s) 26; A. E. P. Guest, W. W. Parsons, W. Mulcahy, T. A. Madar (s) 15. Total 65.

C.S.C.—P. D. Crawley, J. Carr, W. Burling, J. McGowan (s) 11; F. Harper, E. Korman, E. Purvis, E. W. Symmonds (s) 16; H. McKay, A. Sheppard, V. Ebbage, M. Rakusen (s) 22. Total 49.

#### INDIANS LOSE

At Happy Valley, Police Recreation Club beat Indian Recreation Club by 2 rinks to 1 and on aggregate (4 pts. to 1).

P.R.C.—C. Gough, C. Pile, G. Perkin, W. Malr (s) 18; E. G. Post, J. M. Forrest, J. Orem, J. C. S. Fender (s) 24; W. McLeod, W. B. Harris, W. S. Dall, J. Shepherd (s) 21. Total 63.

I.R.C.—M. I. Razack, U. A. Rumjahn, J. Hosen, A. K. Minu (s) 11; A. K. Sufaid, K. M. Rumjahn, A. M. Rumjahn, M. A. Abbas (s) 18; D. M. Khan, S. Yusuf, A. H. Rumjahn, A. R. Dallah (s) 30. Total 59.

#### POINTS FOR RECREIO "B"

At King's Park, Club de Recreio "B" beat Kowloon Bowling Green "B" by 2 rinks to 1 and on aggregate (4 pts. to 1).

Recreio "B"—A. M. Xavier, E. de Sousa, A. M. Rodrigues, A. F. Gutierrez (s) 20; F. A. Machado, A. F. Noronha, J. C. Remedios, C. M. Silva (s) 11; D. C. Alves, C. H. Basto, C. A. Lopes, J. J. Basto (s) 33. Total 64.

K.B.G.C.—A. Morton, E. A. Atkins, J. C. Gill, J. G. Meyer (s) 15; W. C. Hodder, V. C. Dixon, L. Sykes, P. A. Peckham (s) 22; H. Spang, G. W. Elphick, A. Bower, L. Guy (s) 16. Total 53.

#### ANOTHER "SWEEP"

At Austin Road, Kowloon Bowling Green Club beat Craigengower Cricket Club on all three rinks (6 pts. to 0).

K.B.G.C.—A. H. Lockhart, H. White, R. Duhan, A. J. Hall (s) 22; E. P. Phillips, E. Lovett, H. W. Drew, J. McKelvie (s) 20; W. L. Walker, G. W. Deacon, K. Hyde-Lay, A. Holland (s) 29. Total 71.

K.D.R.C.—V. McMaster, W. G. Mackie, W. Houston, W. Greig (s) 28; C. E. Lapsley, J. Revie, T. Coleman, M. Ferguson (s) 13. Total 43.

### COLONY SPORTS WASHED OUT

The remaining matches in the Second Round of the Colony Lawn Bowls Rinks Championship, ten in all, were postponed yesterday owing to the heavy downpour of rain.

Other sports affected were the baseball games in which Mindanao was to have played a double-header against South China in the morning and the Mohawks in the afternoon, and the basketball match between Trojans and Indian Police.

L. M. Roza, A. E. S. Alves, E. S. Franks, A. J. Coelho (s) 16; W. E. Broadbridge, W. J. Curd, A. Kitchell, D. A. Rozario (s) 12. Total 36.

#### H.K.F.C. BEATEN

At Chatham Road, Kowloon Football Club beat Hongkong Football Club on all three rinks (5 pts. to 0).

K.F.C.—B. Thompson, S. C. Wong, C. H. Fuller, T. Ferguson (s) 25; B. Williams, G. Frost, Y. Abbas, J. T. Smalley (s) 28; G. E. Cross, A. Thompson, A. MacIntyre, R. M. Ogden (s) 35. Total 88.

H.K.F.C.—B. I. Bickford, C. Carr, G. E. Stephens, B. A. Mansell (s) 18; K. Forrow, F. Phippance, C. B. Robertson, G. S. Graver (s) 25; A. Bailey, J. Russell, S. Strange, J. Ralston (s) 9. Total 52.

#### POINTS FOR INDIANS

At Sookunpoo, Indian Recreation Club and Police Recreation Club tied on rinks results, but the former won on aggregate (34 pts. to 13).

I.R.C.—B. el Arculli, K. Nazarin, A. H. Madar, A. M. Wahab (s) 20; J. M. A. Rumjahn, M. Hassan, M. B. Hassan, S. M. Rumjahn (s) 18; M. A. Wahab, M. U. Razack, A. G. Sufaid, A. O. Madar (s) 17. Total 55.

P.R.C.—L. C. Pennell, G. Davies, F. Channing, A. E. Carey (s) 15; J. Headridge, W. M. Smith, A. Soutar, J. MacDonald (s) 22; J. Hayward, J. Riddell, J. McWalter, J. C. Aitken (s) 17. Total 54.

#### CRICKETERS LOSE

At King's Park, Club de Recreio beat Hongkong Cricket Club on all three rinks (5 pts. to 0).

Recreio—G. A. Pinna, G. A. Gutierrez, E. A. R. Alves, M. F. Pinna (s) 20; F. R. Sequeira, A. Ferreira, A. da Roza, P. Yvanovich (s) 19; R. A. Campos, P. d'Almeida, M. Mendonca, H. R. Pinna (s) 21. Total 60.

H.K.C.C.—L. E. N. Ryan, R. J. Shrigley, P. S. Cassidy, E. S. Abraham (s) 18; D. J. Valentine, W. R. Lambert, A. S. Mitchell, A. McKellar (s) 16; P. Morrison, E. S. Doughty, B. J. Lacon, P. J. A. Hamilton (s) 17. Total 51.

### BOWLS LEAGUE TABLES TO DATE

#### FIRST DIVISION

	P.	W.	L.	T.	W.	L.	T.	Pts.
Craigengower	7	6	1	0	18	3	0	30
Recreio "A"	9	6	3	0	16	9	2	29
Kowloon B.G.C. "A"	8	6	2	0	13	10	1	25½
Police R.C.	7	5	2	0	12	9	0	22
Recreio "B"	8	4	4	0	12	12	0	20
Indian R.C.	7	4	3	0	11	10	0	19
Kowloon C.C.	9	3	6	0	9	12	2	16
Kowloon B.G.C. "B"	7	2	5	0	8	12	1	12½
Kowloon Dock	7	1	6	0	6	14	1	8½
Civil Service	7	1	6	0	5	15	1	7½

#### SECOND DIVISION

	P.	W.	L.	T.	Pts.
Kowloon Tong	7	6	1	0	27
Craigengower	7	5	2	0	22½
Kowloon F.C.	6	4	2	0	20
Prison Officers	6	4	2	0	18
Hongkong F.C.	8	3	5	0	14½
Hongkong C.C.	6	3	3	0	14
Recreio	8	2	6	0	14½
Talkoo	5	2	3	0	11
Kowloon C.C.	7	1	6	0	7½

#### THIRD DIVISION

	P.	W.	L.	T.	Pts.
Kowloon B.G.C.	8	7	1	0	29½
Indian R.C.	8	6	2	0	27
Craigengower	8	4	4	0	23
Kowloon F.C.	6	4	2	0	20
Recreio	9	3	0	0	17
Hongkong F.C.	9	3	0	0	16½
Police R.C.	8	3	2	0	14
Hongkong Electric	6	2	4	0	10
Hongkong C.C.	7	1	6	0	9

### Eric Moller In Colony

It is learned that Mr. Eric Moller, well-known race owner (Oire) and one of the leading jockeys in Shanghai to his younger days, is back in Hongkong on one of his visits to his local branch office.

When asked what racing conditions in Shanghai were like at the moment, he said that it was just the same as usual, but added that he was too busy to show the same interest in racing now as he had done previously.

His sons, "R.B." and "Chris," both of whom are well-known to followers of racing in the Colony, are now looking after his stable.

### SPORTING FIXTURES

#### TODAY

SWIMMING.—V.R.C. Swimming Trials, 6.30 p.m.

TENNIS.—First Division: H.K.U.T. C. v. C.D.R., S.C.A.A. v. H.K.C.C., K.C.C. v. I.R.C.

#### WEDNESDAY, JULY 9

BASEBALL.—U. S. S. Tulsa v. Royal Engineers, 5.15 p.m.

MEETING.—Annual of the Hongkong Football Association, Bank of Canton, Bldg., 5.30 p.m.

TENNIS.—Third Division: C.C.C. v. C.D.R., S.C.A.A. v. A.T.C., I.R.C. v. K.T.G.C.A., K.T.C. v. K.C.C., H.K.U.T.C. v. C.R.C. (1).

#### THURSDAY, JULY 10

TENNIS.—Fourth Division: K.I.T.C. v. A.T.C., C.R.C. v. P.O.R.C. (1), P.O.R.C. (2) v. J.R.C., C.C.C. v. F.C., I.R.C. v. C.B.A.

#### SATURDAY, JULY 12

BASEBALL.—U.S.S. Mindanao v. H.B. Baseball Club, 2.15 p.m.

H.K.B.C. v. S.C.A.A., 4.30 p.m.

LAWN BOWLS.—First Division: Recreio "A" v. Kowloon C.C., Kowloon Dock R.C. v. Craigengower, Civil Service v. Police R.C., Indian R.C. v. Recreio "B", Kowloon B.G.C. "B" v. Kowloon B.G.C. "A". Second Division: Recreio v. Kowloon Tong, Kowloon C.C. v. Prison O.C., Craigengower v. Hongkong F.C., Kowloon F.C. v. Talkoo R.C., Third Division: Craigengower v. Kowloon F.C., Hongkong F.C. v. Indian R.C., Police R.C. v. Recreio, Hongkong C.C. v. Hongkong Electric.

#### LAWN BOWLS SWEEP

Following are the results of the Lawn Bowls Sweep.

1. 169 (K. B. G. C. 3rd Division).  
2. 150 (K. F. C. 3rd Division).  
3. 394 (K. B. G. C. "A" 1st Division).

Other tickets:—151, 279, 146, 436, 389, 441, 365, 379, 48, 263, 558, 448, 33, 123, 471, 89, 374, 457, 60, 107, 411, 58, 110, 127, 418.

### AQUATIC GALA AT LAICHIKOK

#### Lau Tai-ping Wins Open 200 Metres

Despite the unfavourable weather of Saturday night, the Hongkong and Kowloon Residents' Union held the second of its inter-members gala at Laichikok which was well attended.

Only two events were open to the Colony, Lau Tai-ping, Lai Tsun long distance swimmer, winning the 200 metres free-style in the good time of 2 mins. 33 secs., while Ng Shi-lin came first in the 400 metres breast-stroke event.

At the conclusion of the gala, the home team beat "Dolphins" by six goals to three in a very fast water-polo encounter.

#### THE RESULTS

Following are the results:

200 Metres free-style (Open to the Colony): 1. Lau Tai-ping; 2. Yau Sze-kwan; 3. Chung Sok-ping. Time: 2 mins. 33 secs.

400 Metres breast-stroke (Open to the Colony): 1. Ng Shi-lin; 2. Lau Huang-ye; 3. Sham Ho. Time: 8 mins. 52 secs.

50 Metres free-style (Men's): 1. Tang Chung-man; 2. Tin Yung-tang; 3. Kwong Wing-shing. Time: 33 4/5 secs.

100 Metres Individual Medley (back-stroke, breast-stroke, side-stroke, free-style): 1. Chu Hang; 2. Wong Shau-sam; 3. Tai Yuk-ming. Time: 1 min. 24 secs.

Water-Polo: Hongkong and Kowloon Residents' Union 6; "Dolphins" 3.

### WATER-POLO

Only two games were played at the Navy Pool in the European Y.M.C.A. Water-Polo Invitation Tournament on Saturday.

Navy "C" beat 38th Battery, R.A. by three goals to one, scorers for the winners being Szeaby (2) and Ravenscroft, while Gough enough replied for the losers.

The match between Navy "A" and Royal Scots was more closely contested, the former eventually winning by the odd goal in seven. Halfyard, Paul, Rutter and Hoare scored for the Navy, while Morris (2) and Brown netted for the Royals.

### BICYCLE RACING CONTEST

#### Many Entrants For Wednesday's Event

Forty-eight students from 27 schools in the Colony will take part in the bicycle racing contest sponsored by Chinese Y.M.C.A. to be held on Wednesday, commencing at 9.30 a.m. in Tsun Wan, New Territories.

The race, which is over a length of 25 miles, will cover twice the distance between 9 1/2 and 22-mile stone, Tsun Wan, with the former as the starting point. All contestants are requested to be there not later than 8.30 a.m.

Various prizes to be awarded to winners, including a bicycle, have been donated by the Union Cycle Manufacturing Company.

### CYCLONE CLUB TO PROMOTE BOXING

It is learned that the Cyclone Sports Club are discussing plans to include boxing among their winter activities, moving spirit in this is Ramsay Bux who, as "Young" Iron Box is one of the leading amateur featherweights in the Colony, and his brother, "Sherry".

The Club hopes to get a fairly useful team for inter-team competitions with any club or team interested in this form of sport.

### V.R.C. TO SPONSOR ATHLETIC MEET?

It is learned that although Victoria Recreation Club intend to run an athletic meeting, which will include events open to the Colony, late this year, they will leave everything in the hands of the proposed Amateur Athletic Association should this body be formed before the proposed V.R.C. meet. It was explained that rather

### Derby Winner Sold

LONDON, July 6 (Reuter).—The owner of Compton, winner of the New Oaks has sold his stallion Cameronian, winner of the 1931 Derby, for export to Argentina.

Four maiden mares will accompany Cameronian. Cameronian has been a successful sire and will be missed in England. His stock had won £52,260 up to the end of the 1940 season, his best being Scottish Whirl, winner of the St. Leger in 1938. Cashbook, winner of the Derby and Newmarket stakes in 1937, Finis, winner of the Yorkshire Cup in 1939, Belm Dearg, winner of the Manchester November Handicap in 1940 and Snowberry, winner of £3,381 as a two-year-old.

### IMPORTATION OF RACE PONIES

#### BAN MAY NOT BE ENFORCED

The racing public in general, and horse owners and jockeys in particular, will be interested to learn that the proposed ban on the importation of ponies has great chance of not being put into effect.

It was learned that a discussion on the question as to whether it would not be advisable to ban the import of ponies into the Colony in order to conserve shipping space for the transport of more essential goods was held at a recent meeting of the Hongkong Economic War Effort Advisory Committee.

Two reasons advanced in opposition of the proposed ban were that the Jockey Club was amongst the leading donors to war funds in the Colony and that the taxes levied on the pari-mutuel and cash sweeps brought in a large revenue for Government.

### WELSH GUARDS WIN AT CRICKET

LONDON, July 6 (Reuter).—Guardsmen took time off for cricket at Lords on June 25, when Welsh Guards beat Coldstream Guards by 134 runs.

The winners, under the captaincy of Maurice Turnbull, former England Test player, scored 262 for 3 before declaring, and Lieutenant A. T. Felham hitting up a faultless 107 before being caught.

Coldstream Guards, who used six bowlers in attempting to dismiss their rivals, had about 2½ hours batting, but were dismissed for 129.

### WEDDINGS AT REGISTRY

The following marriages took place at the Registry, Supreme Court, on Saturday with Mr. J. Reynolds, Deputy Registrar, officiating:—

Mr. Chiu Wing-hang, merchant, of No. 22 Eastern Street, and Miss Wong Wal-yung, of No. 13 Cheung Sha Wan Road, first floor;

Mr. Ho Chung-sung, merchant, of No. 134 Jervois Street, and Miss Chiu Chol-chan, of No. 21 Nan-king Street, ground floor;

Mr. Li Kwan-yuen, blacksmith, of Messrs Yee Hop, Praya, Shaui-yan West, and Miss Wong Suet-ying, of No. 88 Lockhart Road, first floor;

Mr. Ian Kan-pun, ambulance dresser, of No. 77 Pokfulam Road, first floor, and Miss Nam Shuk-ying, of No. 152 Johnston Road, third floor.

### ANNOUNCEMENT

The forthcoming marriage between Robert Hunter Alexander, private, Royal Scots, of Murray Barracks, and Miss Lea East-nol, of No. 82 Queen's Road, East was announced on Saturday.

than have two meets the Club would gladly lend the A.A.A. every support.

### BIG BASEBALL UPSET

#### Royal Engineers Beat H.K. Baseballers 16-9

Two matches in the Baseball League were decided on Saturday at the Chatham Road ball park when Royal Engineers trounced Hongkong Baseball Club by 16 runs to nine and the Hongkong Brewers defeating the 100 per cent Chung Hwa squad by ten tallies to one.

The latter game proved to be one-sided, although Chung Hwa held their own for the first two innings. Four costly errors in the third saw four Brewers romping home for a 4-1 lead.

Hits were shared evenly between the two teams in the first match, but the Hongkong Baseballers had only themselves to blame for defeat. They handed out nine runs on only one hit, assisted by nine free passes, in the fourth innings.

Following are the scores:—

SAPPERS	Innings	1	2	3	4	5	6	7	Total
	Runs	4	0	2	1	0	10	16	
	Hits	1	1	0	1	1	1	5	
MOHAWKS	Innings	1	2	3	4	5	6	7	Total
	Runs	1	0	6	2	0	0	9	
	Hits	1	0	2	1	0	0	5	
BREWERS	Innings	1	2	3	4	5	6	7	Total
	Runs	0	1	4	2	0	2	10	
	Hits	1	1	2	0	2	1	8	
CHUNG HWA	Innings	1	2	3	4	5	6	7	Total
	Runs	0	0	1	0	0	0	1	
	Hits	2	0	2	0	0	1	5	

### All-H.K. Basketball League







## Decrease Recorded In The Visible Trade Of Colony

According to an official report released for publication by the Superintendent of Imports and Exports, the combined values of the Colony's imports and exports of merchandise as declared during the month of May, 1941, totalled \$126.3 millions (£7.8 millions) as compared with \$138.3 millions (£8.6 millions) in May, 1940.

## DEATH OF MRS. ELLEN KING

### Well-Known Colony Resident

The death occurred on Saturday of MRS. ELLEN KING, widow of the late Mr. J. W. King of Kowloon Docks, who passed away in the Kowloon Hospital as the result of a stroke.

The late Mrs. King was very well known to all older residents of the Colony and appeared to be in normal health until Friday morning when the seizure occurred. She was 59 years of age.

During the Great War Mrs. King had charge of the old Cafe Wiseman.

The deepest sympathy will be extended to her sons, Harry, who is a member of the Urban Council staff, J. J., managing director of Falconer & Co. (Hongkong, Ltd.), and Billie, who is in Canada, her brother, Mr. F. W. T. Ross, who is now in England and her two sisters, Lillie and Tootie, both married, who are in Oakland, California.

The funeral will take place today, passing the Monument at 5.30 p.m.

## NO MEN TO LEAVE H.K.

An order by His Excellency the Governor, under the Defence Regulations, is issued in the Government Gazette stating that no male person, whether British subject or not shall leave the Colony without the written permission of the Commissioner of Police or any other Officer appointed from time to time under any Ordinance for the time being in force to control immigration.

The order will apply to persons or members of the class of persons generally or specially exempted therefrom by the Colonial Secretary.

## NO PASSPORTS FOR CHINESE TO GERMANY, ITALY

Mr. T. F. Tai, director of the Chinese Consular Invoice Office in Hongkong which handles also the issue of passports for overseas Chinese stated yesterday that no more passports to Germany or Italy would be issued following the Chinese Government's announcement of the severance of diplomatic relations with those countries.

Mr. Tai said that no official instructions had yet been received from the Ministry of Foreign Affairs but he was expecting them.

Mr. Tai added that since the outbreak of the European war, very few Chinese had gone to Germany and Italy.

## TRAFFIC ACCIDENTS WEEKLY RETURN

In the Colony of Hongkong including the Island, Kowloon and New Territories during the week ending at 8 a.m. on Saturday, June 28, 1941, there were altogether 98 traffic accidents as the result of which two persons were killed and 24 persons were injured.

Of persons killed, a Chinese female, age 15, was knocked down and killed by a bus while crossing the carriageway and a Chinese male, age 40, died from injuries received while attempting to board a moving tramcar.

Of 98 accidents, 49 were collisions between vehicles; 29 were collisions between vehicles and pedestrians; 20 accidents were due to other causes.

## WATERFRONT GANGS

As a result of goods being stolen while being discharged from ships, it is learned that 20 Chinese gangs representing business circles in the Commercial Road West region, have petitioned the Commissioner of Police to take measures against organised gangs haunting the waterfront.

The petition describes conditions along the waterfront and demands increased police patrols.

## WATER SPOUT OBSERVED IN THE HARBOUR

### WEATHER REPORT FOR JUNE

Apart from the typhoon at the end of the month, the weather for June did not differ much from the average. There was rather less sunshine and more rain, although five inches of the total rainfall was associated with the typhoon.

The average temperature for the month was 81.7°F. or 0.6 above normal. Maximum temperature of 91.6 occurred on the 28th, minimum of 73.4 on the 2nd. Humidity was 84 per cent. There were 141 hours of bright sunshine, which is 24 hours below normal, but percentage of cloud was average at 78.

Rain fell on 20 days and totalled 25.180 inches, against a June average of 15.231 inches.

There were twelve thunderstorms on seven days, rainfall associated with the storms on the 18th being particularly heavy, nearly 8 inches being recorded in 18 hours.

### RARE OCCURRENCE

A water spout, which is of fairly rare occurrence, was observed in the harbour on the afternoon of the 6th.

Maximum wind velocities were of course associated with the typhoon, 96 m.p.h. in gust was recorded at the Royal Observatory, but 120 m.p.h. was reached at Kai Tak. These figures are easily records for June, the previous maximum being 67 at the Royal Observatory.

## H.K. Chinese Donations To China

From June, 1938 to June, 1939 the second year of the Sino-Japanese hostilities, Chinese in Hongkong contributed to their mother country a total of NC\$2,244,037, according to official figures just received here.

The donations were received by the Central Kuomintang Headquarters, the National Government, the National Military Council, the Executive Yuan, the Ministry of Foreign Affairs, the Ministry of Finance, the Overseas Affairs Commission, the National Relief Commission, the Headquarters of the Chinese Association for the Promotion of Aviation and the National Red Cross Society of China.

The largest donation was \$441,000 by the Chinese General Chamber of Commerce, while the donations of the fruit and vegetable dealers in the Central and Western Districts, amounting to \$311,812 and \$222,119 respectively ranked second and third.

## AMERICAN RED CROSS WORKER HERE

On his way to join his other colleagues of the American Red Cross who are doing sterling work on the various Chinese war fronts and elsewhere in China, MR. J. A. SMITH arrived in the Colony yesterday by the Pan-American Airways Clipper.

Mr. Smith is going to Shanghai first before proceeding to Chungking where he will assume the post of assistant director of the American Red Cross unit in China.

Interviewed by a reporter of the Hongkong Daily Press yesterday Mr. Smith said that the trip he had was the roughest he had ever experienced and, Mr. Smith told us, he was no mean air traveller himself!

### "WORSE STRETCH"

The plane was delayed for four days at Guam by typhoons but the "worse stretch" struck by the airliner was between Macao (at which port they touched to disembark a passenger before coming to Hongkong) and the Colony.

While rounding Waglan the passengers were given a nasty jolt when the plane "gave a sudden upward twist." But despite the apparent rough passage all the passengers seem arriving at the Peninsula Hotel kept a smiling face, or is it the effect of feeling solid ground again?

ing securities, 27.79 per cent. on deposit in London at call or in short notice and 0.10 per cent. in silver.

## CHURCH & THE K.R.A.

The following is culled from THE ANDRIAN:

In a Colony which has no representative system of Government, an organisation such as the Kowloon Residents Association is extremely valuable. Were its membership larger, the Association could exert a still greater influence on the Government in questions concerning the welfare of Kowloon.

The population of Kowloon is 581,043, including 12,089 non-Chinese and yet the membership of the K.R.A. is only 384. This is typical of the lassitude that afflicts so many people in this Colony. It is that we are only interested in what concerns ourselves and take no thought for the needs of our less fortunate neighbours?

We would urge on members of our congregation their Christian responsibility to support an Association which exists, not just for the benefit of its members, as so many of our Clubs do, but for the benefit of the community.

Membership fee is only \$2.00 per year. The Acting-Vicar will gladly provide enrolment forms for new members.

## LITTLE FLOWER CLUB

### GROWTH REVEALED IN REPORT

The report and statement of accounts for the year ending March 31, 1941, of the Little Flower Club, to be presented to its members at the thirteenth annual meeting to be held on July 10 show remarkable growth of the Club—both as to its activities and membership.

During the 15 months under review, the Club moved into its present premises in King's Park, the official opening of which was performed by H. E. Mgr. H. Valtorta on September 30.

The String Band, "A Lira da Florinha," had shown considerable improvement under the inspiring direction of Rev. Fr. Riganti.

Social activities of the Club included a Xmas Dinner and Children's Party, mixed gatherings and various "drives." Tennis and ping pong tournaments proved very popular, while the baseballers made their debut last season.

### HEALTH CLASSES

Health exercise classes were held regularly every Tuesday, under the direction of Miss Mavis Ming. Lectures on Auxiliary Nursing Services were given every Friday by Portuguese doctors.

A sale of work will be held on September 30 when, it is hoped, work by members of the Catholic Action of Macao will be on display and for sale.

There were 250 Ordinary Members and 56 Associate Members on the register on March 31.

The accounts show a surplus of \$723.28 on the Working Account, and an excess of \$564.05 of income over expenditure.

## SYMPATHY STRIKE AT TAIKOO DOCKS

### Alleged Dismissal Of Turner

About 100 turners of the Taikoo Docks struck work last Friday as a protest against the alleged dismissal of a fellow-worker.

According to the report, they returned to the Docks on Saturday but refused to work, staging a sit-down strike.

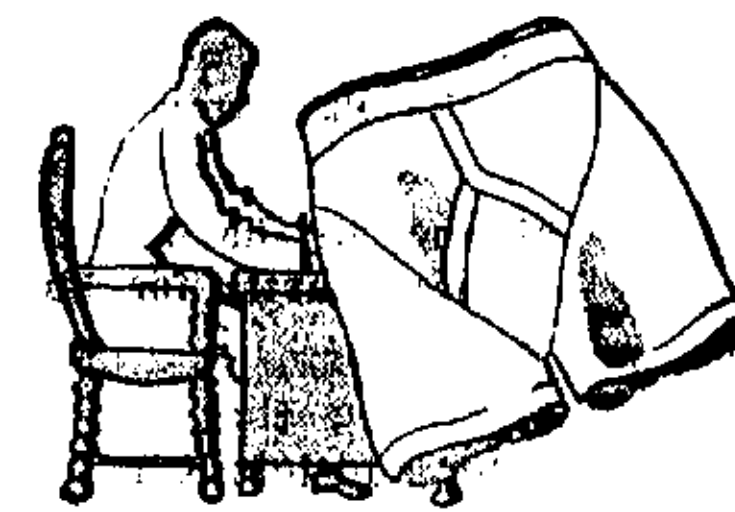
However, it was expected that the dispute would be settled over the week-end, as negotiations were started on Saturday morning between the strikers and representatives of the Docks.

It was reported that one of the turners returning to work on July 1 after absenting himself without leave for about two weeks and explaining that he had been ill, was asked by the management to obtain a medical certificate to show that he was fit for work. He failed to do so and on Saturday requested the manager to be allowed to resign and to be paid off. Later that day, word spread among his fellow-workers that he had been dismissed and they immediately struck.

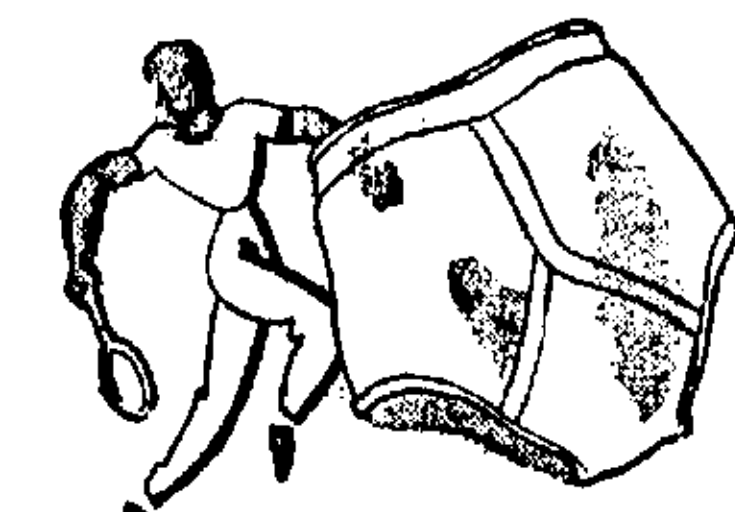
## SIR R. KOTEWALL CONVALESCING

The many friends of the Hon. Sir Robert Kotewall, Kt., C.M.G., LL.D., who has been ill for some weeks, will be glad to learn that he is now convalescing and will be going on a short holiday to Scotland.

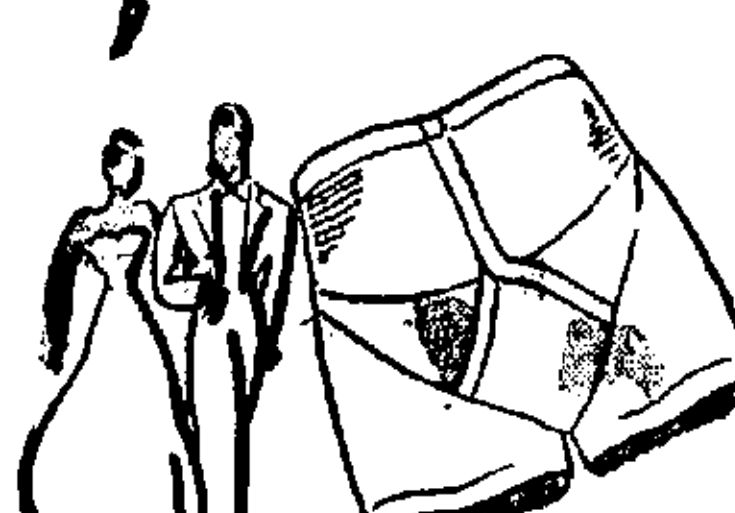
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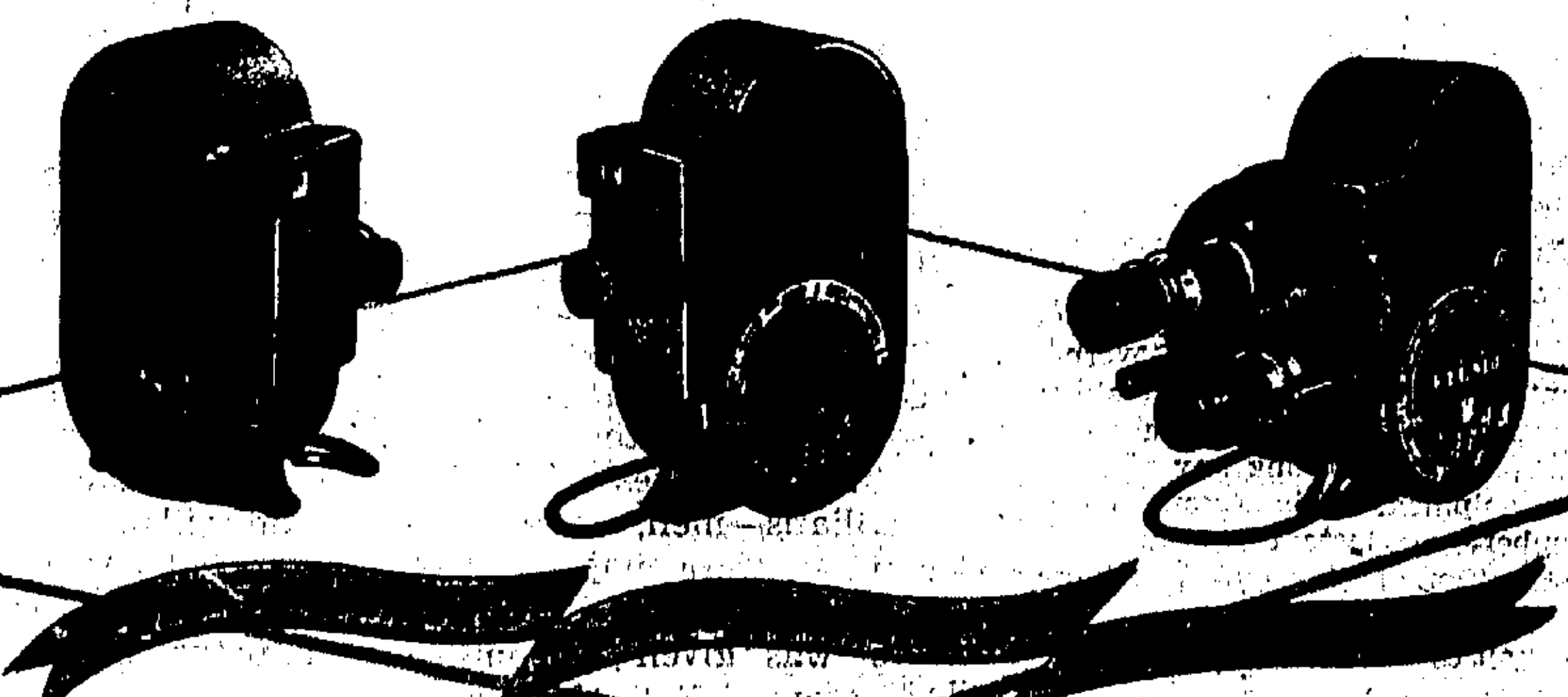
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## NEW ADVERTISEMENTS

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NOTICE is hereby given that it is proposed to declare a First and Final Dividend in this matter and all Creditors, who have not already done so, are requested to lodge detailed claims with the undersigned on or before 15th July, 1941 otherwise they will be excluded from the distribution.

JOHN FLEMING,  
DAVID ROBB,  
Liquidators,  
c/o Lowe, Bingham & Matthews.  
Hong Kong, 11th July, 1941.

THE INDO-CHINA  
STEAM NAVIGATION  
CO., LTD.NOTICE OF GENERAL  
MEETING.

The SIXTIETH ORDINARY GENERAL MEETING of the Company will be held at the Offices of the General Managers, Messrs. Jardine, Matheson & Co., Ltd., Pedder Street, Hong Kong, on Thursday, 10th July, 1941, at noon, for the purpose of receiving the Report of the Directors, passing the Accounts, and electing Directors and Auditors.

The Transfer Books of the Company will be closed from the 3rd July to the 24th July inclusive.

By order of the Board,  
JARDINE, MATHESON  
& CO., LTD.  
General Managers.  
Hong Kong, 14th May, 1941.

CIVIL DEFENCE  
CORPS

By announcement in the Government Gazette the Government has reconstituted various local essential services into a single body known as the Civil Defence Corps.

The organisations concerned are: Auxiliary Communications Service, Auxiliary Conservancy Corps, Auxiliary Fire Service, Auxiliary Labour Corps, Auxiliary Medical Corps, Auxiliary Ordnance Corps, Auxiliary Quartering Corps, Auxiliary Supply Corps, Auxiliary Transport Service, Civil Pay and Account Service.

The notification states that the period for which persons may be enrolled, the conditions and discipline of the corps and the times when they can be called out, etc., are determined by Government but members will not be required to give whole time service. They will be away from their homes or employment for longer than the duration of the emergency.

Resignation from the Corps will be considered by Government but fourteen days' notice must be given.

The powers of members of the Corps will be defined by Government and warning is given against any person not being a member of the Corps retaining any part of the equipment or impersonating a member; for instance, using the designation of a member unlawfully to enter a house.

Penalties for such are provided.

NO FLOODING  
IN TUNNELS

The tunnels behaved very well during the typhoon, said the Director of A.R.P. at his weekly Press conference.

There was no flooding in any of the tunnels, and the water seen being pumped out of some tunnels was that which had seeped through the roof and sides.

It was proposed to concrete line the roofs and sides of all tunnels.

DEATH  
KING At Kowloon Hospital at 5 p.m. on 5th July, 1941. Ellen King, aged 59. Funeral will pass the Monument at 5.30 p.m. on Monday, 7th July, 1941. Australian and Oakland papers please copy.

The Daily Press  
報西刺

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HONGKONG, JULY 7, 1941.

FROM STRENGTH  
TO STRENGTH

FOUR YEARS of undaunted resistance and unbroken resolve have drawn to a close and China today enters on the fifth year of her struggle against the forces of aggression, morally and materially stronger than when the first shot heralding the march of Japan's invading troops was fired following the incident which the Japanese created, as an excuse for their move, at Lukuchiao. From that moment, China and her people changed. The former lethargy of mind gave place to a new development—a sense of outraged dignity and anger at this deliberate and unjustified attempt to take from them their rights and liberties gradually took firm hold of 450,000,000 people, who had until then been pursuing their national life in peace and with no thought of seeking a quarrel with any of their neighbours. The suddenness of the Japanese attack and the ruthlessness with which it was carried out caught the Chinese people and their leaders unprepared and their brutal invaders took every advantage of this to indulge in a veritable orgy of plunder, looting and savagery which immediately branded them as self-confessed murderers in the eyes of the world.

THE FIRST WEEKS that followed July 7, 1937, will long live in the memory of the Chinese people. Driven to panic and confusion by the Japanese methods of warfare, the Chinese gave way before the invaders and the Nipponese war machine rolled on from the north wallowing in the gore of its unfortunate victims. In the meantime, China's leaders, led by the indomitable spirit of Generalissimo Chiang Kai-shek began to exert their courage and will on the people. The country rallied as one man to the flag and the people looked with growing faith and confidence to their troops as the resistance began to take shape and stem the Japanese onslaught. The world stood amazed as this courage and resolve to beat off the aggressor increased week by week and month by month. The superior weapons and equipment of the Japanese took a heavy toll of China's gallant defenders and claimed even a greater number of innocent lives among the civilians—men, women and children were massacred in thousands as the lust of the invaders was given uncontrolled sway. Not for a moment, however, did the determination to continue the struggle in the face of every hardship and handicap falter and in amazement, the rest of the world stretched out its hand in sympathy and assistance to so gallant a people.

AND SO, through the four years that have now closed, China struggled on. The principles of her resistance, liberty and independence,

Japan Is Afraid And Will  
Not Enter The War  
Says Sir Victor Sassoon

The view that Japan was afraid and would not enter the war was expressed by SIR VICTOR SASSOON, the well-known Shanghai financier, when interviewed by the local Press on his arrival here by the Pan-American Airways Clipper from Manila yesterday.

Sir Victor is on his way back to Shanghai after a five-months' absence in the United States. His visit to the States, he informed us, was partly for business and partly to sell some jewels the proceeds of which were to go to the Royal Air Force.

Learning that the distinguished visitor had left Kai Tak aerodrome and had arrived at the Gloucester Hotel, where he will be a guest for a few days, our representative "invaded" Sir Victor's sanctum.

In answer to some timid knocking, our representative heard "come in," but on learning the purpose of the visit, Sir Victor, in his charming manner, and smilingly pleaded he was in no fit condition for an interview just then as he had not got rid of the dust of travel.



SIR VICTOR SASSOON

When approached two hours later Sir Victor was once more the well-groomed and debonaire gentleman and showed no signs of the rough air passage he had experienced.

## 20 INTERVIEWS

Sir Victor started the "ball rolling" in the interview by smilingly remarking, "would it help you if I tell you that I had more than 20 interviews at Honolulu," and then directed our attention to the "misrepresentation" in an article written in Los Angeles in a recent interview he gave.

He reiterated that what he meant was a confederation between Britain and the United States designed only to bring about better economic circumstances and with neither of country losing any power.

This, Sir Victor pointed out, have become the key-notes of the principles for which the great democracies of the west are fighting just as hard and against just as brutal an enemy today. That fact has merged the battles for freedom in the east and the west into one and has made it a common cause. Today China stands as a full partner in the fight which is being waged to prove that might cannot prevail against right.

The aid which the great United States of America has pledged itself to give Britain and her allies against the totalitarian war machine is also beginning to flow to the eastern bulwarks of the democratic front and co-operation and co-ordination of political, economic and military ties between China and her partners of the west grow stronger and more indelible day by day. These facts have not been without their effect on the Chinese people. Four years of war may have left in their wake battered towns and villages, but the spirit of united will to defend their country has received fresh impetus by this recognition of China as a vital and important outpost in the defence of democracy. China, therefore, faces her fifth year of the war with renewed strength and determination and with unswerving faith in the final outcome of her struggle—an outcome which will materially assist Great Britain and her allies to achieve world peace and security when the forces of might have been destroyed.

Mr. Yue Chun-yin, Head of the Department of Education for Overseas Chinese, also attended the meeting and gave a very encouraging speech.

Mr. Aw Boon Haw, one of the Directors of the school, and who has generously promised to donate a sum of \$40,000 to the school distributed the prizes.

Mr. Ip Kwai-chung congratulated the prize winners on behalf of Mr. Aw Boon-haw.

The prize distribution was followed by a concert which was thoroughly enjoyed.

## NEWSETTES

Mr. Jack Cooper Fitz-Henry, M. I. Fire E., has been appointed Chief Officer, Fire Brigade, with effect from Jan. 1, 1941.

Mr. John Pownall Reeves has been appointed a Deputy Immigration Officer in succession to Mr. Hermann Derek Bryan, with effect from June 7, 1941.

Dr. Kenneth Harrison Uttley, M.A., M.D., B. Ch. (Camb.), M.R.C.S. (Eng.), L.R.C.P., D.T.M. and H. (London), has been appointed Senior Medical Officer, with effect from April 1, 1941.

The Hon. Mr. Andrew Lusk Shields has been appointed to act as Chairman of the Essential Commodities Board during the absence from the Colony of the Hon. Mr. Stanley Hudson Dowdell, with effect from July 4, 1941. Mr. Shields is also appointed to act as Member of the Shipping Control Board during the absence of Mr. Dowdell, with effect from the same date.

Mr. John Cameron Taylor and Mr. James Gray Marshall have been permitted to quit the Hongkong Defence Reserve.

Mr. Alfred Walter William Salter has been reassigned from the Combatant Group to the General Group for Essential Services in the Hongkong Defence Reserve.

An order has been issued by the Controller of Food, under the Defence Regulations, stipulating that any person or firm selling rice retail shall display in his business premises a notice stating the grades offered for sale and the maximum controlled prices of those grades.

The figure representing the average opening selling rate for the month of June, 1941, of the Hongkong and Shanghai Banking Corporation for demand drafts on London is settled at 14.88.

It is notified in the Government Gazette that Mr. Seiki Yano, Consul-General for Japan at Hong Kong, resumed charge of the Consulate-General for Japan on July 1.

Mr. Gordon Gardiner, member of St. Andrew's Church Council, the V.D.M.A. Committee and Hon. Secretary of St. Andrew's Fellowship, is leaving for India.

The Rev. Lawrence L. Nash, who was for four years Chaplain of the Diocesan Boys' School, and who returned to Australia to take up the onerous duties of General Secretary of the Melbourne C.M.S., has now been called up as Military Chaplain for service overseas with the Australian forces, says The Andrian.

Mr. Rupert Baldwin, A.T.C.L., Organist and Choirmaster of St. Andrew's Church, who is on leave, has arrived safely in South Wales after a journey home via Canada, according to a letter from Mr. Baldwin in THE ANDRIAN.

Mr. G.S.P. Heywood, Professional Assistant at the Royal Observatory, who is on leave, writes in THE ANDRIAN to say he had a most interesting journey down to Melbourne and found his family very flourishing.

The annual general meeting of St. Andrew's Fellowship will be held on Tuesday beginning with a service in Church at 6 p.m., business meeting at 6.30 and Fellowship dinner party.

The Northcote Training College will hold a distribution of certificates and prizes on Thursday, July 17, at 11 a.m. Mr. D.J. Sloss, C.B.E., M.A. Vice-Chancellor of the University of Hongkong, has kindly consented to present the awards.

Inheritance tax has been instituted in Kanan, Ninghsia, Chinghai and Sinkiang by the Direct Taxation Administration for those four provinces. Smooth progress has been made.

The National Government issued a mandate yesterday, commending and conferring a gold medal upon the Kung Shoung Daily News, Chinese daily in Hongkong, for raising patriotic donations, amounting to \$500,000.

The wreckage of 13 grounded Japanese planes which were destroyed when the Chinese shelled the aerodrome at Ichang on the upper reaches of the Yangtze River, on June 23, was transported by army trucks to Shanghai on July 1.

## THE WAR IN THE AIR:

DIFFERENCE BETWEEN R.A.F.  
OFFENSIVE SWEEPS AND  
DEFENSIVE PATROLS

The difference between offensive sweeps and defensive patrols as carried out by the Royal Air Force and the difficulties which have to be overcome in the daylight which were now being made over Germany and German-occupied territory formed the subject of an interesting broadcast talk by MAJOR OLIVER STEWART, M.C., A.F.C., the well-known commentator on aviation, from London on Saturday.

Major Stewart said that the R.A.F. had been doing particularly well in the recent daylight sweeps over Germany and occupied France. Somehow, he declared, one had come to accept the view that if the German raiders came over Britain they would suffer a heavier defeat, but in order to appreciate the difficulties of daylight sweeps over enemy territory one had to bear in mind the difference between offensive sweeps and defensive patrols.

## DURATION OF SWEEP

"When the Germans were sending their bombers and fighters over here, our fighter squadrons went out to meet them with two or three hours petrol on board," continued Major Stewart. "The duration, or time, of a fighter in the air depends on the way the time is being used. When cruising a plane uses up very little fuel, but in a dog-fight the engines just drink petrol.

"The duration of fighting under these conditions is very important indeed. When the fight is over on this side, our planes did not have to worry about duration. If the engine stalled it meant a forced landing, but it was a forced landing on their own soil. If the engine stopped while a plane was over France, it meant a forced landing in enemy-occupied country and the crew would be made prisoners.

"Daylight sweeps are, therefore, concerned with this factor of time. The pilots have to ensure that they are not engaged in a dog-fight just when their fuel is running low. He has to throw all other thoughts to the wind except that of manoeuvring for position.

## DUTY OF FIGHTERS

"When fighters are escorting bombers there is a subsidiary problem to be considered. The bombers will be quite a lot slower than the fighters, but the fighters must keep with them all the time. It is extraordinary how quickly bombers can get into trouble if it is caught by fighters or ground fire on the other side.

"Escort fighters have thus to stick to the bombers all the time and they have to manoeuvre so, as to keep the fire away from them while the bombers are making their raids. When the enemy is seen coming up to intercept the bombers, the fighters have to watch for them and go into a fight.

"In an offensive sweep, when bombers go over escorted by fighters, these fighters are very much tied down. They have to adjust their movements to the bombers and, at the same time, they have to remember the limits of their fuel supply.

"When we think of the way in which single-seaters do their fighting, experience has shown that it is always better to turn the plane to the attacking plane's fire. It is sufficient to recall that unless the single-seater must point itself at the enemy fire he cannot engage the enemy.

## CANNOT RUN AWAY

"Suppose, for instance, that our sweep is about to conclude and that the escorts are on their way home. And suppose it happens that at this moment the enemy contrives to assemble a strong fighter force. The escorts' fuel may be getting very low and if a dog-fight occurs, it will get lower.

"But the single-seater fighter cannot run away. I don't mean to say that any of our fighters ever

Mr. Clarence E. Gauss, American Ambassador to China, gave a tea reception at the American Embassy on July 4 on the occasion of America's Independence Day. About 200 guests were present, including Dr. H. H. Kung, Vice-President of the Executive Yuan, Dr. Wang Shih-chieh, Minister of Publicity, Mr. Chow Chung-yueh, Minister of Interior, Dr. Quo Tsal-ah, Minister of Foreign Affairs, Mr. Wong Wen-hao, Minister of Economic Affairs.

want to do that, but there are moments when the pilot is left no choice—he must try to run away. When he turns for home and the enemy attacks him, he is powerless to reply to the attack unless he turns and faces him.

"That is why I say that the single-seater fighter cannot run away. When he is attacked he must turn and face the enemy. If not he offers an easy mark for his pursuers and is almost bound to be shot down.

"So there you have the conditions under which a fighter sweep may find itself in a difficult position. He may be engaged just at the moment when it is making headway for home. Fighters have the easiest job when they are defending and the most difficult when they are escorting bombers on an offensive sweep. And yet our fighters have been able to bring down a larger number of enemy machines than the enemy has been able to do."

## REMARKABLE SUCCESS

Major Stewart said that there was evidence that the greater number of the machines which the Germans had moved to the Russian front were bombers and that they still retain sufficient fighters in Germany and western France.

"Undoubtedly, the R.A.F. successes have been remarkable," went on Major Stewart. "I want to rub that in, because there are many people who have been talking about the figures of our successes as compared with the figures last September. It is really no comparison. The possibility always exists that when the R.A.F. is working under present conditions they might have a hard day and lose more machines than the enemy.

"A comparison with the war of 1918 is more likely to be misleading than anything else. In the matter of the air, there was a time when the Germans held what practically amounted to air supremacy.

"The point is that the R.A.F. is doing what it was asked to do—to dominate the enemy in the air. They are going to keep on at this job of harassing German troops and bombing materials."

## VALUE OF SWEEPS

Major Stewart declared that there had been a deal of talk lately whether the bombing of targets alone over Germany and German-occupied territory was enough.

"The real answer depends on the technical quality, training and morale of the two opposing air forces. If, in these sweeps the R.A.F. is making we maintain our ascendancy and still manage to bring down on the average more enemy machines than we lose, we must attribute these results to technical superiority, better training and superior morale.

"Offensive actions need morale and we know that when a pilot goes out to look for an enemy he is likely to take more risks. But we don't want to be too cocksure about these offensive operations. They have gone remarkably well and the R.A.F. have developed them well. But sometimes the casualties we secure might not appear so favourable to us as before.

"If that happens, it is worthwhile remembering that these offensive actions are a tremendous encouragement to everybody and that in doing it we are playing our part well," concluded Major Stewart.

## CAPT. HOLDEN

As the steamer on which they are travelling has been delayed owing to the typhoon, Captain R. E. Holden, master of the Fausang, and Mr. Chubbin, the Russian guard, who were expected yesterday will probably arrive today.

It is learned that they were transferred from a Japanese naval vessel to another Japanese boat, after they were "rescued" from armed Chinese.

The transfer took place on Friday afternoon at sea, the Fausang contacting the Japanese vessel while on her way from Shanghai to Hongkong.



# CHINA'S FINANCIAL FRONT AFTER FOUR YEARS

Continued from Page 1.

In the present hostilities, China and Japan are poles apart in both their military strategy and financial policies. Being primarily an agricultural nation with abundant hidden wealth, China's economic structure in protracted hostilities is more conducive to the conservative policy of military and financial resistance, and the chances of its ultimate victory depend mainly on playing for time and on the co-ordinated development of personal and national productive power. For China, this is the logical wartime policy from the standpoint of both military strategy and financial power.

## PATRIOTIC RESPONSE

A noteworthy fact in connection with China's war financing is the patriotic support of its people. The whole nation has responded readily to the Government's call for needed funds and war relief materials. The loyalty and generosity of China's sons and daughters abroad is particularly praiseworthy. They have contributed hundreds of millions of dollars to the National Treasury, subscribed enthusiastically to the National War Bonds, and invested considerable sums for the wartime development of mining and industries in China's hinterland. Moreover, their remittances home increased from \$300,000,000 annually in the pre-war years to \$600,000,000 since the hostilities began and have been a helpful factor in reducing China's adverse balance of international payments.

The low per capita wealth of the Chinese people, coupled with the already heavy hardships brought upon them by the war's ravages, the Government's lack of an adequate system of direct taxation, and the enemy's occupation of many important cities, has precluded any large reliance on increase of taxation as an effective means of raising war funds. Keeping in mind the necessity of conserving the people's economic strength, the Government has formulated its wartime taxation policy so as not to add undue hardship to the people's burden. Aside from the institution of the excess income (or war profit tax) and the inheritance tax, which are universally regarded as sound taxes, the Government has made various taxation adjustments calculated to reduce the people's burden, particularly of those living in or adjacent to the war-torn areas, to encourage export trade, to assist industrial production and to promote thrift and economy.

At the Eighth Plenary Session of the Kuomintang held in March of this year, it was decided among other things that Land Tax, hitherto administered by the local governments, should be taken over by the Central Government for re-organization in order to unify and improve its administration and increase its yield for war use. In June, 1941, the Third National Financial Conference was convened to consider practical ways and means for giving effect to this and other fiscal reforms to meet the wartime needs of the nation.

In connexion with the re-organization of the nation's fiscal system, the introduction of the Public Treasury System on October 1, 1939, is a distinct wartime improvement. The new system, which replaces the traditional decentralized system of handling public funds by various government offices, has the advantage of centralizing the receipts and disbursements of public funds, at the same time of separating the two functions. It will necessarily result in closer co-operation of the nation's political and financial powers.

## COMPARATIVE LOAN ISSUES

"Fiscal theory recommends that extraordinary wartime needs be financed largely out of revenue; nevertheless, experience has shown that where this is impossible the emergency can be met for a considerable period by relying largely upon borrowings. During the last World War, for instance, the United States contemplated the raising of war funds by increasing taxes and issuing bonds in equal

amounts, but the proceeds of taxation amounted to less than 30 per cent. of the total war expenditures. British war finance was singularly sound and stable. Its system of direct taxation proving highly elastic and productive and yet the total amount of tax receipts occupied only 17 per cent. of the war budget. Since the outbreak of the present hostilities, China has had to depend on continued borrowing to meet 70 per cent. of its war budget. Thanks to the people's patriotic support and the banks' loyal co-operation, the Government has been able to carry out the borrowing programme smoothly and, up to the end of 1940, has authorised internal loan issues equivalent to the total of \$4,750,000,000.

"During the same period loans issued in Japan amounted to about 17,570 million yen. In other words, Japan's new debt due to the 'China Incident,' is about four times as large as China's (at official rates of exchange), and the per capita debt is increased by about \$10 in China and 250 yen in Japan, the ratio being 1 to 25. Comparing the total national indebtedness of the two countries outstanding at the end of 1940, the figures would be roughly \$9,250 million for China and 28,250 million yen for Japan. That is to say, Japan's present national debt is more than three times China's burden, while the present per capita debt is about \$20 in China and 400 yen in Japan, the former being only about 1/20 of the latter. During 1941, new bond issues are expected to reach considerable figures in both countries.

"China is highly appreciative of the friendly assistance which different countries have extended to her in the form of credits during the present hostilities. These include the several Commodity Credits and the Currency Stabilization Loan extended by America; the Export Guarantee Credit and Currency Stabilization Fund Credits extended by Great Britain; the Nan-Cheng Railway Loan extended by France; the Barter Trade Credits extended by Soviet Russia, and large amounts of private credits for purchases of materials in different countries. The extension of these credit arrangements has been helpful in the stabilisation of China's war finance while at the same time beneficial to the economies of the lending countries themselves. It bespeaks confidence in China's financial future and presents a striking contrast to the fact that in the world's financial capitals the doors of borrowing are closed to Japan.

## CREDIT INTACT

"Outstanding in China's wartime financial record is the Government's scrupulous anxiety to live up to its obligations. China's determination to uphold its credit has been such that for well over a year following the outbreak of the present hostilities, it continued to meet its debt service fully and regularly. Maintenance of debt service, in spite of the enormous urgent demands on the National Treasury and enforced readjustment of the country's financial and economic life as a result of the hostilities, explains why China's credit in both foreign and domestic markets has remained intact. That it imposed great hardships on the Government and people to keep on paying could not be doubted. But without seizing upon some pretext for declaring a general moratorium, China girded its financial loins and paid.

"During the three and a half years from the outbreak of hostilities to the end of 1940, China paid out not less than \$1,039,000,000 for debt services; \$320,000,000 for external obligations and \$719,000,000 for internal obligations.

"This performance is all the more gratifying in view of Japanese interference with the lion's share of the customs and salt revenues—the two principal securities of China's obligations. Between July 1937 and December 1938, the Government advanced for the service of customs-secured obligations alone a total of \$175,000,000 from other sources in order to make up

for the revenues that should have been remitted from areas controlled by the Japanese.

On the other hand, in respect of the customs alone, revenues forcibly detained by the Japanese had accumulated to the extent of more than \$750,000,000 by the end of 1940. In the meantime, services of obligations, contracted during the war have all been met fully and promptly. China's wartime accomplishment in fulfilling its obligations, in contrast to Japan's high-handed interference with that honourable performance, is a record which China's creditors may not soon forget.

## REMARKABLE EXCHANGE STABILITY

"A most significant factor in the successful management of China's war finance, likewise of importance to foreign business interests, is the maintenance of exchange. Like any country at war, China has had to meet certain currency difficulties that are the necessary adjuncts of warfare, and has found it necessary to enforce certain measures of exchange control to permit adjustment to economic and trade conditions. Because of the existence of extra-territoriality and of foreign settlements and concessions, and in view of the extent and importance of the areas affected by Japanese interference, particularly in Shanghai which is China's commercial and financial centre, the Chinese Government has found it difficult to enforce rigid measures of financial control such as other countries have adopted.

"Nevertheless, thanks to the strong foundation laid in the Currency Reform of November 1935 and to the appropriate wartime management, China has been able to maintain the exchange stability of its currency to a degree generally regarded as remarkable. The people's sustained confidence in the National Currency has enabled the Government to combat with notable success Japanese schemes to undermine it. During the first eight months of hostilities, Chinese Government Banks freely bought and sold exchange at the official rates. Although since then the Government has been obliged to modify the procedure of exchange operations and to allow downward adjustment of exchange from time to time to a more reasonable level according to the needs of the national economy, yet it has persistently and consistently adhered to its declared policy of maintaining the National Currency.

"Throughout the period of hostilities, China has maintained both in 'occupied' and unoccupied areas an acceptable medium of exchange which has consistently been demanded by the people in preference to the issues of notes the Japanese and their puppets have attempted to circulate at the point of bayonets. China's legal tender has the distinct advantage of free convertibility into foreign currency. Although there have been marked changes in the value of the National Currency in the foreign exchange market, due largely to speculation, the Government has continued to make exchange available to legitimate business requirements. The existence of the so-called 'black market' in financial centres is not an uncommon phenomenon in countries subject to exchange control, even in peacetime.

## NOTE-ISSUE INCREASED

"There has been some misapprehension concerning the increase of note-issue and its bearing on the position of the currency. Indeed, the volume of currency in circulation has expanded considerably since the opening of hostilities, from \$1,444,000,000 to several times that figure. Superficially, such a large increase might easily be mistaken as an evidence of serious currency inflation, but a closer analysis would suggest the increase in note-issue has been brought about more by economic reasons than by fiscal necessities. Even before the war, China's note-issue was not sufficient to meet the needs of the entire country. As a consequence of hostilities, increased hoarding and holding of cash balances by the public to meet emergency requirements have entailed a larger volume of currency. Extended circulation of the National Currency in areas formerly served by local currencies, notably in Yunnan, Szechwan, Kwangsi, Sinking, and Sinkiang, has likewise resulted in a larger circulation. Moreover, circulation of the National Currency has continued even in the areas occupied by the Japanese, especially in Central China, in the

## LOCAL PROGRESS IN SYRIA

CAIRO, July 6 (Reuter).—A British communique announces local progress on all Syrian fronts.

In the Jimma area in Abyssinia, 15,000 prisoners have been captured of which 12,000 Italians were captured since June 21.

## DAMOUR CROSSED

JERUSALEM, July 6 (Reuter).—The Allies have crossed the River Damour, 10 miles south of Beirut and have also occupied Rharif, seven miles north-west of Jezzein, while a column from Palmyra is now on their way to Homs.

## FIRING PRACTICE

Light gun firing practice will be carried out on July 7, 8, 9 and 11, between the hours of 6 p.m. and midnight.

Firing Areas "D" and "E" will be affected.

Heavy gun anti-aircraft practice will be carried out between the hours of 4 and 7 p.m. on July 8, 9 and 10.

Firing Area "C" will be affected.

foreign controlled areas of Shanghai and Tientsin and in the territories where Chinese guerrillas are active. Where the Japanese control is really effective, the legal tender notes, being prohibited from circulation, are in effect immobilised and not in active circulation at all. Besides, there has been large export of notes in the hands of the people, either on Government or private account. Insofar as these notes are exported and particularly when they are kept in the vaults, they amount in effect to hoarding because they are no longer in active circulation. Increasing activities in connexion with the economic reconstruction of the interior, such as the building of railways and roads and the development of mines and manufactures, also require a large amount of currency for pay-rolls and retail transactions. Finally, increases in the level of prices have in themselves required a large volume of hand-to-hand currency.

"It is important to note that, fundamentally speaking, whether or not there is an excessive note-issue depends not on statistical figures but on the saturation point at which national currency requirements are adequately provided. The present total volume of China's note-issue cannot be said to have passed the point of saturation.

"All in all, the surprise of the last four years' management is not that China's currency has been subjected to severe tests but that it has withstood so well the enormous strains imposed upon it by the hostilities and enemy onslaughts. Little wonder that such a showing has inspired confidence both at home and abroad in China's financial outlook.

## CONFIDENT OF VICTORY

"At the outbreak of the Sino-Japanese hostilities in July 1937, China under the National Government was continuing unprecedented achievements in its financial and economic development. It was my singular privilege and fortune to associate myself with this significant movement, under the leadership of President Chiang Kai-shek and with the support of the nation. The rapid progress achieved was yielding great benefits both to the Chinese nation and to the foreign countries having friendly relations with it. Besides, China was fast becoming an important stabilising factor in the international situation.

"Obviously, it was because China's modern development was growing so rapidly that the Japanese militarists launched their invasion. Undoubtedly the war has been a severe strain on China's economy, but in the madness of Japanese aggression even the important interests of western Powers have been trampled upon with impunity. The interruption of China's progress is undoubtedly one of the greatest tragedies of history. Japan's slogan of creating a 'New Order in the Far East' is but a camouflage for its twofold object of dominating China in its own interest and of expelling the interest and influence of western Powers from the Far East.

"But, thanks to the strong foundation laid during the few years preceding the hostilities and to the management of its wartime finance and currency, China has been able to maintain a financial front stronger and more enduring than its enemy had anticipated. Committed to its dual policy of armed resistance and national reconstruction, China is confident of its ultimate victory."

## FADE-OUT OVER AIR CAUSED BY SUN

According to Mr. R. P. Morris, A. M. I. E. E. (Chartered Electrical Engineer), M. I. R. E., Engineer-in-Charge, Senior Wireless Engineer, General Post Office, the sudden fade-out over the air on Saturday night was due to the sun's actions, an occurrence which happens periodically.

About six or eight months back, Mr. Morris related, there was a similar fade-out over the air during the night, but this often happens in the daytime.

As a result of the fade-out on Saturday night, ZBW was unable to relay the London news either at 8 or 10 p.m. and equally affected were all the incoming Morse news services.

Manila and Tokyo were available, Shanghai came through poorly, but all European short-wave stations were completely dead.

Reception from London last night was again poor.

## Loyalty To Chiang

Continued from Page 1.

I cast last night a message from Hongkong Chinese to Chungking on the fourth anniversary of the outbreak of War in China.

Mr. Lo said:—As China enters her fifth year of resistance against aggression, it is natural that the nation should pause to take stock of all that has happened in four years of war, so that our people, fortified and enlightened, may march forward to final victory.

Here in the British Crown Colony of Hongkong, the gateway to China, all Chinese, with or without a double allegiance and living under the British flag, wish on the eve of their fourth war anniversary to pledge again their loyalty and wholehearted support for their motherland. That mine should be the voice chosen for this happy task is an honour of which I am deeply sensible.

## DOUBLE ALLEGIANCE

Not long ago, a distinguished Chinese, speaking before a gathering in British Malaya, referred to the double allegiance his Chinese audience owed to China and England. He said that some might consider this difficult, but the strong sense of family in every Chinese made it simple for an overseas Chinese to regard his ancestral land and the land of his birth and adoption as his parents—both to be loved and respected.

I think he was right, and believe we have proved it here in Hongkong. The law abiding trait in the Chinese character has been praised in whatever country our people have chosen to reside in; likewise, their loyalty and patriotism to the Mother Country have become household words. The Hongkong Chinese, I venture to believe, are no exceptions.

That we have the sympathy and co-operation of the British community is shown by the splendid work of the British Fund for Relief of Distress in China. It was organised in November 1938 by both British and Chinese, the total amount raised to date, solely through donations, reaching almost Hongkong \$800,000, including a recent donation of \$10,000 from the Hongkong Government as a gesture of its sympathy for the suffering of the Chinese refugees.

## TRIED TO DO BIT

Close as we are to the scene of warfare, much and often as this Island port, its life and trade, has been subjected to the ebb and flow of wide scale hostilities, we can justly claim that we have tried to do our bit towards the life and death struggle our motherland is engaged in. All these efforts, collective and individual, have been animated by one thought: love of country and desire to help her in her hour of greatest need.

Of the various organisations in Hongkong engaged in relief work, I can give but a general idea. For instance, in the selling of various national War Bonds under the inspiration of the Hon. Sir Shou-son Chow, the Chinese Chamber of Commerce in co-operation with business groups and men's organisations, have raised millions for the war chest. The New Life Movement, the Friends of the Wounded Society and similar organisations have found fresh impetus here and solid support. Everyone, Chinese and foreign,

## China's Destiny Linked With The Democracies, Says Dr. Quo Tai-chi

CHUNGKING, July 4 (Central).—That China's destiny is intimately linked with that of the Democratic Powers and there can be no Far Eastern settlement till there is a general world settlement of which the Far Eastern settlement must form a part is the conviction of DR. QUO TAI-CHI, MINISTER OF FOREIGN AFFAIRS, who broadcast over the OGOY station this morning at the invitation of the British Broadcasting Station in London. The talk was rebroadcast over the BBC home and air wire services.

Dr. Quo said:—"I welcome this opportunity to have a few minutes' chat with my friends in Great Britain and elsewhere. You all have been much in my thoughts since I left London two and half months ago on my long homeward journey to Chungking. I arrived just a week ago today amidst the bombing season and in intense summer heat—very warm welcome home indeed.

## TOIL AND SWEAT

"Perhaps you might care of hearing what life is like in Chungking by comparison with life in London. Here much toil and ever more sweat. When I received my friend the British Ambassador Sir Archibald Kerr Clark Kerr the other afternoon, we both lost no time taking off our coats but even so we continued to perspire profusely. I must say that I admire Sir Archibald for the way he has stuck it out here despite the fact that his Embassy has been repeatedly bombed by the Japanese.

"As for myself, I fear that I must have been spoiled by nine years' pleasant summer climate in England and the process of readjustment which includes beginning work at 6.30 a.m. is by no means easy. Actually it is now only 5 a.m. here but I don't regard talking to you work.

"Toil and sweat, yes, and some tears. But people are carrying on with an amazing cheerfulness. I have been greatly impressed by the excellent spirits prevailing in Chungking from Generalissimo and Madame Chiang downward.

## FAVOURABLE FEATURE

"Blood too I am sorry to say because of frequent air raids by the enemy. Compared with London our air defences are very meagre indeed and enemy raiders are able to bomb more or less at will. But there is a feature wherein we compare more favourably. We have strong and safe air raid shelters hewn out of solid rock and they are sufficient to take care of the city's entire population numbering about half a million.

"Well, I am now in the saddle and events forced pace right from the start. The day after I took up office, it fell upon me to take swift steps leading to the severance of diplomatic relations with Nazi Germany and Fascist Italy. This has clarified still further the international situation wherein the world is rapidly dividing into two opposing groups, the Axis Power—Germany, Italy and Japan—with their satellites and the anti-aggression bloc, notably the ABC Powers—America, Britain and China and now Soviet Russia.

"This development has so strengthened my personal con-

have given freely to the many flag and flower days, theatrical performances, concerts, bazaars, etc., organised for China relief. And it has not been the rich alone who have given. Even the humble ricksha puller has been seen to proffer his "widow's mite" of ten cents or more to buy a flag or flower for his suffering compatriots.

## SPECIAL TRIBUTE

Here I would like to pay a special tribute to the various Chinese Women's Organisations. Day in and day out, when not carrying out some money raising campaign, visiting refugees or presenting ambulances to the Red Cross—their members may be seen rolling bandages, cutting gauze, collecting medicine and gifts, and doing the hundred and one thing needed to keep such war time activities going. Undoubtedly, their chief inspiration comes from China's First Lady—Madame Chiang Kai-shek.

The students of schools must not be forgotten. They have worthily emulated their elders in raising money for relief and nothing from which toll could be exacted has been overlooked. In several schools, the students each pay one cent a day for the refugee and I am sure that there is not one boy scout or girl guide who does not have somewhere at the back of their minds a great dream of the day when they can be serving more actively and living up to China's war time slogan—"Resistance and reconstruction."

## ANOTHER BROADCAST

On the night of July 7, General Ho Ying-chin, Minister of War and concurrently Chief of the General Staff, will speak in English over XGOY for ten minutes through an interpreter at 11.30 p.m. Hongkong Time. There will be an audience in the studio besides a company of fully armed and fully equipped soldiers standing in attention and, after General Ho's speech, sing a few war songs as they march round.

## ON WIDE SCALE

SINGAPORE, July 6 (Reuter).—The Malayan Chinese are observing the Double Seventh Day on the widest scale.

Contributions towards the Chinese Relief Fund continue to pour in.

Newspapers, including English, are issuing special editorials for the occasion.

## "INCIDENT" NOW TOTAL WAR

TOKYO, July 6 (Reuter).—The political commentator, Mr. Makoto Komura, in an article surveying the China War in the newspaper Hochi Shimbun, laments the fact that peace in China seems still a long way off. He declares that the China War has taken on the status of a prolonged conflict.

"Though neither Japan or China formally declared war, there is no doubt that the China Incident is a war and it is being carried on with the entire national strength on both sides.

"The conflict also involved French Indo-China and Burma and it has in fact taken the shape of total war as defined by the late German military leader, Ludendorff. It is no doubt a struggle of life and death to Chungking.

"In the case of Japan also, it is a war being fought with her entire national strength even though the military power being exerted in it may be said to be only one-fifth or even one-tenth of her total fighting strength.

"It is not common in world history for such total war to last more than four years. It is indeed a remarkable development for the China Incident to enter a status of prolonged war."

## BIG ATTACKS

Con'td from Page 1

## BIG ATTACK

MOSCOW, July 6 (Reuter).—A Soviet communique announces the launching of a big Soviet attack on the Ostrov sector on the Latvian frontier and adds that as a result of an attack, the Germans have been thrown back from the town of Ostrov.

Hundreds of German tanks and a large proportion of their motorised infantry have been destroyed. The communique also states that the Germans made a fresh attempt to cross the River Dvina in the Poltek sector.

Fighting also continued at various points, including the Borisov sector on the Beresina River east of Minsk.

## WIDESPREAD ACTIVITY

MOSCOW, July 6 (Reuter).—Widespread activity in German-occupied territory in the rear of the German armies is reported by the official Soviet Agency.

Guerrilla detachments, composed of men familiar with the locality, have penetrated deep behind enemy lines.

The Germans are feverishly repairing roads and bridges destroyed during the retreat of Soviet forces and are obliged to establish thousands of guards everywhere.

## DNEPR REACHED

LONDON, July 6 (Reuter).—A German communique states that the Dnepr has been reached and the enemy is being pursued in the Baltic countries by Estonians who have captured Kolmen and Starobala.



## LAMMERTS AUCTIONS

## PUBLIC AUCTION.

THE Undersigned have received instructions

to sell by

## PUBLIC AUCTION

on

Tuesday, the 8th July, 1941.  
commencing at 2.30 p.m.

at their Sales Room, No. 2, Connaught Road, Central, 2nd Floor

## A QUANTITY OF VALUABLE HOUSEHOLD FURNITURE

comprising—

Teakwood & Iron Bedsteads, Wardrobes, Dressing Tables, Chests of Drawers, Sideboards, Dining Tables, Chairs, Chesterfield Suites, Ice Chests, Folding screens, Cupboards, Tables, Desks, Book Cases, etc., etc.

Carpets, Rugs, Curtains, Cushions, Cutlery, Ornaments, Glasses, Porcelain & Metal Ware, Electric Fans & Lamps, Pictures, Mirrors, etc., etc.

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## A QUANTITY OF BLACKWOOD AND RATTAN FURNITURE

and

600 Books (in lots)  
10 New Rubber Air Mattresses  
2 New Canvas Canoes  
1 Piano by "Morrison"  
1 Home Rowing Machine  
1 Mahogany Bed Room Suite  
2 Tents in Carpets and 2 Rugs  
1 Steel 3-Drawer Filing Cabinet

On View from Monday,  
the 7th July, 1941

Terms: Cash on Delivery

LAMMERT BROS.  
AUCTIONEERS

## ROUND THE POLICE COURTS

## AT CENTRAL

## RESERVIST CHARGED

Police reservist No. 1715, Li Yiu-long, 21, of No. 283, Queen's Road West, first floor, was charged before Mr. H. G. Sheldon, K.C. on Saturday with demanding \$5.30 at First Street on June 26 and another \$5.30 on June 27.

Lam Shing-tai, a 13-year-old boy, of No. 2, First Street, first floor, was cited as complainant.

At the request of Insp. F.D.B. Tuckett the case was remanded until today for making further enquiries.

## WOUNDING CHARGE

Ma Lung, 32, shop hold, was remanded for a week, bail being allowed at \$50, by Mr. Sheldon on Saturday on a charge of having wounded another shop hold, Wong Lee, 28, at No. 103, Connaught Road West, ground floor on July 4.

Insp. F.D.B. Tuckett told the Court that complainant would be detained until Thursday in hospital, where he was receiving treatment for multiple head injuries.

The fight, it was alleged, occurred at the dining table, in which defendant picked up his rice bowl and crushed it down on complainant's head.

## HUGE POLICE SEIZURE

An order for the confiscation of 56 tin ingots (1,452 catties), 11 lead ingots (277 catties), three sacks of scrap brass (246 catties) and a quantity of salt fish seized from a Macao-bound ship lying alongside the Ping On Wharf at Connaught Road Central and unclaimed was made by Mr. G. T. Lowry on Saturday.

It was stated that the total value of the goods confiscated exceeded over \$10,000.

The application was filed by Det-Insp. J. O'Donovan, who said that acting on information received the ship was boarded on Friday at 7 a.m. when it was about to sail. The ore was found to be concealed in 17 baskets of salt fish apparently for the purpose of exporting it out of the Colony.

## AT KOWLOON

## SCHOOLGIRL VICTIMISED

Chiu Choi, 18, unemployed, appeared before Mr. H.C. Macnamara on Saturday when he was charged with larceny of a metal wrist watch valued at \$10 from Wong Chun-li, a girl student, 21, of No. 838 Canton Road, third floor.

Sgt. W. Todd prosecuting, said that about 6.15 p.m. on July 4, complainant was walking along Nathan Road near Pitt Street when defendant came from behind and snatched the wrist watch from off her hand. She raised the alarm and he was arrested by Tsang Lam in Portland Street near Hamilton Street.

Defendant was sentenced to four months' hard labour and recommended for banishment.

## PICKPOCKET CAOLED

Lam Chung, 28, unemployed, who had a previous conviction was sentenced to four months' hard labour by Mr. Anderson on Saturday when he was charged with stealing \$310 from Mr. Ling Kong-hau, well-known Chinese banker and a director of the Chinese Red Cross Society in Hongkong.

Mr. Ling said that about 12.15 p.m. on July 4, he boarded a Route No. 5 bus for the Star Ferry with a friend. He sat beside accused. On reaching the Star Ferry, Mr. Kot told him to take a look into his hip pocket which he did and found that his money was missing. Mr. Kot then grabbed hold of accused who broke away and ran towards Star Ferry where he was arrested.

Mr. Kot stated that he saw accused put his hand into Mr. Ling's hip pocket on arrival at the terminal stop and passed the money to another Chinese who had not been arrested.

## DEMANDING WITH MENACES

Au Kiu, 35, unemployed, of No. 115 Tung Choi Street, first floor, was remanded for 48 hours by Mr. Anderson on Saturday when he was charged with demanding \$80 with menaces from Kwok Chak on July 3.

It was alleged that at 5 p.m. on the day in question, complainant met accused and was chased into a paperware shop by the latter who accused him of having associated with his friend's wife. Accused, it was alleged, made an arrangement to meet complainant later in Singapore Cafe in Nathan Road to settle the matter.

## MODEL LABOUR UNIONS IN CHINA

The Ministry of Social Welfare is planning to establish model labour unions in Chungking, Chengtu, Loshan, Wanhien, Nanking, Kwei-yang, Kunming, Kweilin, Hengyang and Kungong, which will seek to promote the welfare of the labours, including their livelihood, education, amusement, medical care, relief, etc. Subsidies will be granted by the Ministry to these unions.

If they prove satisfactory, more will be established throughout the country.—(Central News).

ant met accused and was chased into a paperware shop by the latter who accused him of having associated with his friend's wife. Accused, it was alleged, made an arrangement to meet complainant later in Singapore Cafe in Nathan Road to settle the matter.

Complainant, then reported the matter to the Police and accused was arrested with a marked \$5 note when he was leaving the cafe. Accused, it was alleged, demanded the sum of \$80 from complainant and threatened to assault him if the money was not forthcoming while inside the cafe. But complainant told accused that he had only \$5 and which was handed to the latter.

Det.-Sgt. J. Johnston prosecuted.

## JUNK MASTER DISCHARGED

Further hearing of the case in which Shum Lee-sang, master of trading junk No. 11140H, was alleged to have stolen a large quantity of goods by bailie, was concluded before Mr. Anderson on Saturday, when accused was found not guilty and was discharged.

Mr. K.F. Wong appeared for accused, while Mr. M.A. da Silva assisted by De-Sgt. T. Matches prosecuted.

## MARINE COURT

## BOARDING SHIP

Charged with boarding a ship at 18 buoy in Victoria Harbour without the permission of the master or other lawful authority, Lau Sze, 44, was fined a sum of \$7 at the Marine Court by Cmdr. J. Jolly yesterday.

## D. O. South Conviction Too Harsh

## Application Made For Review Of Sentence

An application for review of sentence was made before Mr. H.G. Sheldon at the Central magistracy on Saturday by Mr. Peter H. Sin, on behalf of Kwan Oho, 35, manager of steam launch Kwong Foo, of No. 262, Des Voeux Road Central, who was convicted on a charge of anchoring the steam launch with 350 lbs of kerosene on board on June 27 in Cheung Chau harbour, Cheung Chau, which is a place other than a dangerous goods anchorage, and was fined \$250 and the kerosene ordered confiscated by Mr. T. J. Houston at the Court of the District Office, South, on June 26.

Mr. Sin said that his client was convicted by Mr. Houston, but as Mr. Houston was at present away and, it was reported, would not be back for six weeks, therefore, the application was made before His Worship.

His client was fined the maximum fine of \$250 on the charge, which, according to Mr. Sin, was manifestly excessive, in view of the value of the goods ordered confiscated.

## APPLICATION ADJOURNED

Mr. Sheldon said that the application must be referred back to the convicting Magistrate and could not be made before another Magistrate.

According to Sgt. R.O. Hughes, who was in charge of prosecution, the kerosene was now stored on board a steam launch in Lanchukok in the safe custody of the Police.

The application was adjourned sine die to such a time as when the convicting Magistrate had returned to the Colony.

An order was also made to the effect that meantime, the kerosene was to remain in the safe custody of the Police until a decision was given regarding the application.

## REASON FOR ERECTION OF SAND-DUMPS

Questioned on the reason for the erection of the sand-dumps seen all over the Colony, Wing-Cmdr. A. H. S. Steele-Perkins explained during the weekly Press conference that the sand stored in these dumps—there are 24 of them in all—are, firstly, for the use of A.R.P. warden's post and essential services.

In case of emergency, sandbags for the protection of posts, first-aid posts and other essential services could be filled from these dumps.

The second reason was that residents of the district could obtain the sand necessary to put out an incendiary bomb.

## ARMED ROBBERY

Three men, armed with revolvers, held up the mistress of the Luen Hing Artificial Silk Shop, at No. 25, Talpo Road, Kowloon, and took away \$13 in cash which they obtained by forcing the safe open with a chopper.

## POLICE REPORTS

Lt. J. Purvis has reported the theft of two shackles of cable from an H. M. ship between 10 a.m. on June 30 and 4 p.m. on July 3.

Mr. R. Millar, of No. 272, Prince Edward Road, reported that a tricycle, valued at \$35, was stolen from outside his house last Friday.

The theft of a fountain pen, valued at \$156, from his house has been reported to the Police by Mr. Chan Ping-kai, of No. 5, Sin Hing Street.

Miss Chan Wai-hing, of No. 7, Morrison Hill Road, has reported the theft of jewellery amounting to \$30 from her residence.

The theft of money and jewellery to the value of \$102 from No. 6, Garden Terrace has been reported by Col. Lamb and Lt.-Col. Fields.

Mr. Thomson, of the Kowloon Water Works, reported that a bicycle, valued at \$30, was stolen from outside the depot at the

## Property Tax Notification

It is notified for the information of property owners and others concerned that Demand Notices for property tax payable under Chapter 11 of the above Ordinance are now being issued in respect of all lands and/or buildings in the following districts—Hongkong (including Apichau), Kowloon, New Kowloon.

The Tax is payable at the Treasury, Windsor House, 3rd floor, not later than August 31, 1941, after which date penalties may be incurred.

Any person liable to tax on property situated within the above mentioned districts who has not received a Demand Notice by July 31 should inquire at the Treasury.

Claims for refund of tax in respect of property unoccupied during one or more entire months of the current year of assessment (April 1, 1941-March 31, 1942) may be lodged with the War Taxation Department, Unit II, after March 31, 1942.

## BANK NOTES IN CIRCULATION

Returns of the Average Amount of Bank Notes in Circulation in Hongkong, during the month ended June 30, 1941, as certified by the Managers of the respective Banks:—

Chartered Bank of India, Australia and China \$25,087,010; Hongkong and Shanghai Banking Corporation \$200,357,228; Mercantile Bank of India, Limited \$4,205,645; Total \$229,649,892.

## CONVERSION LOAN

The following statement of the securities lodged with the Crown Agents by the Mercantile Bank of India, Limited, against their notes in circulation, is published for general information under Section 5 of the Mercantile Bank Note Issue Ordinance, 1911 (Ordinance No. 65 of 1911):—

Security 3% Conversion Loan repayable 1948-1953 £240,000; Latest market price 99-100

junction Shanghai Street and Waterloo Road between 3 and 3.30 p.m. on Friday.

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## Letter To President Roosevelt By U.S. Professor

"What is it you want us to do? ... We want to know the truth." ... "We can take it." ... These statements are made in a letter written to President Roosevelt by a Professor of English at Harvard University. The text of the letter follows.

Hon. Franklin D. Roosevelt, Washington, D. C.

My dear Mr. President:

I am writing you this open letter because, like thousands of other Americans, I find myself in a dilemma. The dilemma is that we do not know what it is you want us to do.

The people of the United States paid you the most singular compliment ever paid to a Chief Executive. You received a third term at their hands. They voted for you because, although many of them admired your opponent, Mr. Wendell Willkie, they felt that the condition of the world was too serious to permit turning over the helm of the ship of state to an amateur pilot. Now they find they can understand Mr. Willkie and they cannot understand you. Mr. Willkie has been to England and he has told us we must get supplies over there at any cost. That is clear and specific. The plain people of the United States are still waiting for you to be equally clear and specific.

### THE PLAIN PEOPLE

When I say the plain people of the United States I mean just that. I mean the man at the filling station and behind the plow, the man at work with the machine tools, the small businessman, the high school teacher, the corner grocery man, and the man in the cab of the limited train.

There is in this country a noisy and vociferous minority, whose importance we think you incline to exaggerate. This minority is composed in part of innocent and simple people who sincerely want to put "America first" and who believe the war against Great Britain is "just another European war."

Another part of that minority is composed of rather sinister elements—the Bund, the Ku Klux Klan, the subscribers to Father Coughlin's "Social Justice," the various incipient fascist groups, the people who think Mr. Lindbergh is a great mind because he flew across the Atlantic and the people who regard Senator Wheeler as a great statesman because he was an excellent prosecutor.

### VERBAL FENCING

We think you are unwittingly playing into their hands, because the more we delay making up our minds about what we truly intend to do for Great Britain, the greater opportunity these persons have to spread their doctrines. They are definite. You are not. You take refuge behind words. Perhaps this verbal fencing is forced upon you by the neutrality law. If that law stands in the way of saving the republic, tell us and we will muster up the votes to change the law.

The charge is made by these people that you promised to keep this nation out of war and that you are daily leading this nation nearer to war. On the other hand, some of your support comes from persons who hate fascism but who feel that you will somehow manage to defeat the dictators and yet keep this nation out of war. It is time to consider the nature of this so-called promise of yours, as well as the nature of war as it is waged today.

### CAMPAIGN PLEDGE

When a promise is made between two individuals, one of these individuals has the right to hold the other to his promise or to release him from that promise. But in the case of a man who makes a pledge to a whole nation, how is he to be released from that pledge if and when events make the keeping of his promise impossible? We cannot hold another election. We cannot by special plebiscite vote that you shall be held free of a campaign pledge. There comes a time in the life of any statesman when his salt when he must consider whether events have not so changed the original conditions of a political pledge as to render that pledge useless or harmful.

The sort of thing I hear in the garage or the filling station is not any charge that you have broken your word; the sort of thing I hear is an expression of bewilderment. Why do you paralyze our will to resist by taking refuge in phrases?

The isolationists declare that you have no right to declare war—that being the right of Congress. They are correct. But if war exists only when it is declared, there is almost no war on the habitable globe. Nazi Germany never declared

war on Czechoslovakia, Poland, Norway, Belgium, Holland, Luxembourg, Yugoslavia, Rumania, Bulgaria or Greece. The modern technique of war is not to declare it but to wage it. Nazi Germany will not wait for a formal declaration of war. When the time comes it will simply do as it likes.

### "WE ARE AT WAR"

Can we be said to be at peace when you have called upon us to be the arsenal of the democracies, when you have asked us to pay a tax bill of seven billions, and when you have told Great Britain to help herself to the war stuff we are turning out? Do you suppose anybody in Berlin thinks we are a friendly power?

We know we are at war whether Congress formally says so or not. But the war is, we are told, not a "shooting war," and we must do all we can to avoid hurting anybody. Well, we do not want a shooting war if we can avoid it. We do not want to kill our sons any more than did the Greeks or the Dutch or the English. But we have been put into this dilemma: we are giving just enough aid to Great Britain to alienate Hitler, and that aid is not reaching Great Britain in sufficient quantities to turn the tide of battle. Or is it? We think we have a right to know. How much of it is going to the bottom of the ocean? Why should we tax ourselves for the benefit of the Atlantic Ocean?

### "WE WILL SHOOT"

We think it is up to you, Mr. President, to tell us what we ought to do in order to get this material into the hands of our friends, and we do not want to be put off with words. If this requires shooting, it

## EXCHANGE OF RATIFICATIONS TO TREATY

TOKYO, July 6 (Reuter)—An exchange of ratifications of the peace treaty between France and Thailand and the protocol concerning the guarantee and the political understanding between Japan and France and between Japan and Thailand, was announced by the Japanese Information Board yesterday.

At the same time, an exchange of ratifications of the treaty of establishment and navigation between Japan and France concerning Indo-China, and the Japanese-French agreement with reference to customs tariffs, trade and method of payment between Japan and Indo-China, also took place.

## RAILWAY SERVICES SUSPENDED

BOMBAY, July 6 (Reuter)—Landslides in five places in the Western Ghats have blocked the Bombay-Poona Line, suspending all services, and it is expected it will take three days to clear the blocks.

Meanwhile Bombay-Madras trains have been diverted. For the second time the Governor of Bombay, Sir Roger Lumley, at present in Poona, has called his departure for Bombay.

It is just too bad, but we will shoot. We think we are likely to sacrifice fewer lives and far less treasure by being effective now than we will have to sacrifice if we listen to a noisy minority and postpone action in the name of "neutrality." Mr. President, we are not afraid of the English language.

But we want to know the truth. Yours very truly,

Howard Mumford Jones  
Professor of English, Harvard University

## Electrons In Photography

New York.—Electrons, the atoms of electricity, produce photographic images just as effectively as light, and develop the images electrically at the same time. This surprising discovery was made at the Eastman Kodak laboratories in Rochester, when electrons were used in an effort to find out what happens to the crystals on a photographic plate when light strikes them, and what changes take place when the plate is developed, converting the latent image into a visible one.

Hundreds of scientists have been at work for many years at the Kodak laboratories on these and related problems at a cost of many millions of dollars, seeking a complete solution of the mystery of photography.

They have gained a tremendous amount of knowledge which has been used to provide greatly improved ways of picture making, and the latest discovery undoubtedly will bring about new and important improvements. Exactly what they will be or how soon they can be applied cannot, however, be foreseen now.

The scientists have been working under something of a handicap imposed by nature. The phenomena which they have been studying are produced by light-waves acting on crystals of silver salts, which are changed by chemical developers into metallic silver. The changes in the emulsion on the plate or film take place on an atomic or molecular scale. Atoms are smaller than 1,000,000,000,000th of an inch, and light waves are of the order of 100,000 to the inch. When studying such small objects the principal tools of research are light and photography, but in this case these are the very subjects that are under investigation.

**LIMITATIONS OVERCOME**  
Using light had photography to investigate light and photography is like trying to life one's self by the bootstraps. In spite of these limitations very definite progress was made. The greatest step in solving the mystery of the photographic processes came when the electron was called in to find out what the light-waves are doing.

Light-waves, in the visible spectrum, measure (to use the nearest round number) about 1,100,000th of an inch. This seems extremely small when compared to objects in our every-day experience, but it is a very large measurement when compared with an atom, which is smaller than a millionth of a millionth of an inch. That is why light-waves are not of much use in seeing atoms directly. An electron is almost as much smaller than an atom as an atom is smaller than a light-wave.

When Clinton J. Davidson and H.L. Gerner, of the Bell Telephone Laboratories, made in 1927, the Nobel prize-winning discovery that electrons are surrounded by waves, and under some conditions act like waves instead of particles, the tiny electron became available as a substitute for light waves. They

could be focused by electrical lenses in the same way that light-beams could be focused by glass lenses. Even when the surrounding waves are counted into the dimension of the electrons they are still comparable in size with atoms and molecules, and can be used to examine objects tens of thousands of times smaller than could be seen with light-waves.

Magnifications up to 100,000 diameters are possible with an electron microscope constructed in the Kodak laboratories, and with this instrument the crystals in the emulsion on the photographic plate or film have been examined before exposure to light, after exposure, before and after development and before and after fixing so that the changes in each stage can be determined. As a result a new insight has been obtained into the processes involved.

The chemical processes involved in photography are of a far more subtle nature than those normally encountered in laboratories. They must operate in different ways on atoms that have had different experiences. As far as the image-making mechanism is concerned there are just two kinds of atoms in the photographic emulsion—those that have seen the light and those that have not. Those that have seen the light must be changed from their state in which they are parts of a transparent crystal to one in which they are parts of an opaque mass of metallic silver. The active element on the photographic plate of film is the silver-bromide crystal, microscopically small, distributed throughout the thin layer of gelatine. When light comes through the lens it is absorbed by some of the atoms in each crystal.

Light consists of individual packets, or atoms, of radiation, each consisting of a small group of waves of the same length. Different packets are made up of different wave lengths, but any one packet can have only one wave length. The atoms of silver can absorb these packets of radiation. When radiation is thus absorbed, one of the planetary electrons revolving around the nucleus of a silver atom jumps from an orbit near the nucleus to one farther away.

## PANAMA CANAL ZONE AS BASE FOR DIRECTION OF AIR & NAVAL OPERATIONS

THE CANAL ZONE IS A PLACE TO BE DEFENDED, as well as a base from which to direct air and naval operations over the Caribbean area. Commander of the Panama Canal Department is tall, resplendent Lieut.-Gen. Daniel Van Voorhis. He also heads the whole Caribbean Defence Command, which up to now has existed principally on paper.

In December 1940, states "Time," when the War Department was straining every nerve to put the Canal Zone on a war footing, General Van Voorhis had the following important order distributed: "New transportation is arriving in the Department covered with dull finish O.D. paint. In order to improve the appearance of these vehicles, they will be cleaned, waxed and polished to a smooth, bright finish."

### PRESENT DEFENCES

Its present defences are nothing to brag about. This condition does not worry Army people on the spot as much as might be expected. They know that the vulnerable Canal and the narrow Isthmus of Panama have inherent defence limitations which no amount of badly-needed anti-aircraft equipment or planes can wholly overcome.

The only sure defence of the Canal is at a distance: by ship, by plane, by economic, political and diplomatic alliance with the countries of Latin America and by occupation or neutralization of the bases from which an enemy might attack. The U.S. now lacks those outward defences; to provide them is the purpose of the Caribbean ring.

### RADIUS OF ATTACK

What worries the Army and Navy more is the constantly widening radius of possible attack on the Canal. Whenever the range of bombers lengthens, that radius lengthens. Even the Coast Artillerymen who man the great fixed guns at the Canal entrances place on great faith in such emplacements. No enemy fleet is likely to come within range while the Canal is still intact.

Coast Artillery and aircraft men, although they could use more and better guns, have gone into the jungles, placed and manned what guns they have there, done a great job of soldiering. But they, too, have no illusions about last-ditch defence. If ever enemy bombers in sufficient force get over the Zone, and find the few small targets that mean anything, the Canal can be closed: the U.S. fleet can be divided.

### VULNERABLE FROM DAKAR

Theoretically outmoded U.S. planes (example: the Douglas B-12) twelve-hour flights, hope non-stop from Miami or Texas to the Zone. Pan American Clippers do it in 6½ hours. Existing bombers could,

if pushed to the extreme, fly from French Dakar to the Canal Zone. Air power has thus completely revised all theories of the defence of the Canal. The only military solution: defensive air and naval power, based as far as possible from the Canal itself, as near as possible to the starting points of enemy attack.

That solution means absolute military superiority not only of the area within the Caribbean ring but of the Latin-American approaches beyond it, the approaches from Africa and Europe as well. That is why Army and Naval officers in the Canal Zone impatiently dismiss queries and quibbles about the Canal's local defences. The Canal is still a focal point of the Caribbean defence system. But the Canal's defence today is just as good as and no better than the defences of Trinidad, Puerto Rico and the other outlying U.S. bases to be.

### PUERTO RICO

Puerto Rico, not so new a site as Trinidad, has been called "The Gibraltar of the Caribbean" off and on since 1939, when the Army and Navy recognized the hot, unhappy island's great strategic importance, its key situation to the eastern approaches of the Panama Canal. But after two years, Puerto Rico is far from being a Gibraltar.

The Navy dawdled for months, finally got its great Isla Grande air base in San Juan Harbour under way. Once started, construction went apace. Isla Grande already harbours a small force of naval patrol planes, by autumn will be completed and ready for a much larger and more effective combat force. But it is not a fortress, merely a station which will never amount to more than the power of the planes stationed there.

Planned, but still years from completion, is a great Navy anchorage off the eastern tip of Puerto Rico, between Vieques and Culebra Islands. Those sheltered waters can give anchorage to an enormous fleet (they did so in 1939, during manoeuvres in the Caribbean). But the anchorage will not be a major naval base until it gets coastal fortifications, a great breakwater, shore repair facilities—which, at best, will be many years abuilding.

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## Nine Planes To Be Given To Chinese Government By Single Company

Representing the largest single donation in the 1,000-warplane fund campaign to date, the SIN SUI COMPANY, one of the leading Chinese transportation concerns with head office in Hongkong and 30 branches all over Free China, has pledged NC\$1,250,000 for the purchase of a squadron of nine planes to be presented to the Chinese Government.

The General Manager of the Company, Mr. Chu Ping, a native of Sinkiang, showed extreme modesty regarding the tremendous effort of his concern when interviewed by the Central News today. He expressed the hope that with the Sin Sui Company taking the lead, other transportation concerns in the interior will follow suit in order to bring the campaign to a success.

Unreserved efforts, he said, will be exerted during the three months of July, August and September to raise the huge sum so that it will be able to present the nine aircraft to the Government on National Independence Day on October 10, when the presentation ceremony will be held in Chungking.

### BIG LOSSES

The Sin Sui Company was organized in the spring of 1932 for transportation services mainly between Suiyuan, Kansu and Sinkiang. After the outbreak of the Sino-Japanese hostilities, the Suiyuan section of the service was disrupted and the Company sustained tremendous losses.

The Company then turned its attention to the Southwest where branch offices were established. At present it is handling transportation along the Burma Road and between Kunming, Kweiyang, Wuchow, Luchow and Hengyang.

According to Mr. Chu, the services in the Northwest have been curtailed but plans are being made to increase them.

CAIRO, July 6 (Reuter)—Mr. Oliver Lyttelton, the new Minister of State who is to represent the War Cabinet in the Middle East, arrived here yesterday.

## BROTHERHOOD AND HATRED

London.—The day the First Great War was declared a German naturalist stepped unsuspectingly off a freighter from Africa where he had been collecting, into the arms of military authorities at Southampton. Next thing he knew, he was in an internment camp of enemy aliens—Germans by the hundred with whom he had nothing in common but the accident of nationality.

But beyond the barbed wire there were Englishmen like himself, fellow scientists aloof above the political hatreds of the hour, men who lived for the things he did, men of his own kind. To one of them, an English naturalist, he had once known, he got through a letter.

Next day, down from the Royal Gardens at Kew, came his friend, with permission to take out his brother scientist on parole, by personal guarantee. He brought the German to live in his own household, walked to and from Kew with him every day, talking of problems of bird migration of jungle life and plant distribution. Of anything but the killing between their countrymen.

And every day the German quietly continued his researches adding to the great fund of human knowledge. At the end of four years, he was released, one German, at least, who ended the war with more brotherhood than hatred in his heart.

### BADGES FOR R.A.A.F.

CANBERRA, July 6 (Reuter)—Mr. McEwen announced that badges bearing the word "Australia" for wear on the sleeve below the shoulder will be provided for the R.A.A.F. officers to distinguish the Australian from the Empire Allied Airman with the R.A.A.F.

## PRE-PAID ADVERTISEMENTS.

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ASAMA MARU (starts from Shanghai) Thursday, 10th July

NITTA MARU Monday, 28th July

**SEATTLE & VANCOUVER (Starts from Kobe)**

HEIAN MARU Monday, 14th July

**NEW YORK via Japan & Panama**

\* NOTO MARU Saturday, 19th July

**SOUTH AMERICA (WEST COAST) via Hilo & San Francisco. (starts from Kobe)**

\* SANUKI MARU Middle of July

**COLOMBO & MADRAS via Singapore**

\* HAKODATE MARU Monday, 4th Aug

**SYDNEY & MELBOURNE via Manila.**

\* HUSIMI MARU Monday, 1st Sept.

**SAIGON**

\* MATUMOTO MARU Thursday, 17th July

**BOMBAY via Singapore & Colombo.**

\* HAKONE MARU Monday, 21st July

**RANGOON & CALCUTTA via Singapore**

\* MATUMOTO MARU Thursday, 17th July

**Kobe & YOKOHAMA**

\* NOTO MARU Saturday, 19th July

\* NAGATO MARU Tuesday, 22nd July

\* NITTA MARU Monday, 28th July

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**VICHY SHIPPING  
PLASTERED****R.A.F. OPERATIONS  
IN MIDDLE EAST**

CAIRO, July 6 (Reuter).—British bombers and fighters have been hitting their opponents in the Middle East war. They have plastered Vichy shipping, aerodrome and other military targets in Syria, again heavily raided Benghazi in Libya and routed Italian fighters over Malta.

A communiqué from the R.A.F. headquarters says: "In Syria, Colonial aircraft of the Imperial air forces made a number of attacks on Friday on Vichy aerodromes, shipping and other military targets. Several bombs were dropped on enemy ships in Tripoli harbour."

"At Baalbene aerodrome, buildings were machine-gunned and several large twin-engined bombers on the neighbouring landing ground were severely damaged."

**MISSING MARINES  
REPORTED SAFE**

WASHINGTON, July 6 (Reuter).—The last of the three missing United States marines from a group of 11 who were travelling in the torpedoed liner Maasdam, are now reported safe, announced by the Navy Department on Saturday.

The Maasdam, a Dutch liner of 8,812 tons, was reported torpedoed in the Atlantic last Monday. Among the passengers were a group of American nurses, all of whom were rescued.

The marines on board were on their way to London for duties in the American Embassy.

**DEVELOPMENT OF  
H.K. HARBOUR.**

It is learned that when asked whether steps have been taken in connexion with the late Sir David Owen's report on the potential development of the harbour of Hongkong a Government spokesman declared that the report is still under consideration and it was indicated that no steps have been taken to set up the Harbour Board which is suggested in the Report.

**CAPT. HOLDEN**

Captain R.E. Holden, master of the Jardine vessel Fausang, and the Russian guard on board, Mr. Chubin, who were taken off the ship when she was boarded by armed men off two launches in a typhoon anchorage west of Fu Yang Island near Shacheng (Fukien) on June 29, are expected to arrive in the Colony by another of the Company's vessels.

**HONG KONG TIDE TABLE**

From 7 to 13 July 1941

HIGH WATER.			LOW WATER.		
Days of Week	Days of Month	Hong Kong Standard Time	Height.	Hong Kong Standard Time	Height.
Mon.	7	h. m.	ft. in.	h. m.	ft. in.
		02 37	7 1	00 51	3 0
		21 38	4 3	14 48	0 6
Tues.	8	08 24	7 5	01 27	3 0
		22 19	4 4	15 34	0 4
Wed.	9	09 11	7 6	02 24	3 0
		23 04	4 4	16 16	0 2
Thu.	10	09 54	7 6	03 06	2 9
		23 47	4 5	16 54	0 3
Fri.	11	10 37	7 4	03 48	2 9
				17 33	0 4
Sat.	12	00 29	4 5	04 33	3 0
		11 17	6 9	18 09	0 7
Sun.	13	01 11	4 6	05 17	3 1
		11 52	6 4	18 46	1 1

**Nozima Maru  
Seizure****Customs Authorities  
Issue Statement**

MANILA, July 6 (Reuter).—Confirming the previous reports of the detention of the Japanese steamer Nozima Maru, the Customs authorities announce they will not clear the ship until strategic materials in cargo are either unloaded from her or delivery to the United States is guaranteed.

In the latter case permission is needed from the High Commissioner, it is stated.

A representative of the N.Y.K. owners of the vessel, declares that the N.Y.K. guarantees delivery under the contract and agents are now seeking a non-Japanese vessel to which to transfer the cargo.

Officials here state there is no question of seizure of the vessel or sabotage, but the cargo will not be permitted to leave aboard the Nozima Maru.

**NEW LIGHTHOUSE  
ERECTED**

A new lighthouse has been erected at Tanjong Lobang, Sarawak, in Lat. 4 deg. 22'N., long. 113 deg. 58'E. (Approximately), a distance of 140 degrees 0.45 cables from the old lighthouse, states a harbour Office notice.

It operates on the group flashing system, having two flashes every 10 seconds. Its elevation is 155 feet, and visibility 19 miles.

**SUNKEN JUNK**

The sunken junk in the Eastern Fairway, Yaumati (Typhoon shelter, has been removed.

**DERELICT JUNK**

A large derelict junk was reported drifting in Lat. 22 deg. 37'N., long. 116 deg. 05'E. (approximately) at 4 a.m. on Thursday.

**H.K. HAIPHONG  
SHIPPING SERVICE**

A regular shipping service between Hongkong and Haiphong, via Macao and Kwongchowwan, has been inaugurated by the appointment of Messrs. Chit Fook and Company, No. 28, Connaught Road, as agents for Messrs. Dennies Freres, of Haiphong.

Three vessels, Jean Deplu, Francis Garnier, and Ran Ninh will maintain a regular fortnightly service between the ports, and sub-agencies have been set up in Macao and Kwongchowwan.

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**THE BANK LINE (CHINA), LTD.****BIG TIENTSIN  
SHIPPING DEAL  
IS REPORTED**

TIENTSIN, July 6 (Reuter).—Future British and foreign trade in North China will be affected by the reported sale of the Taku Tug and Lighter Company's fleet, thereby relinquishing a major portion of the port's lighterage from British control.

Various companies, particularly oil importers, are placed in absolute dependency upon the goodwill of the new owners for continued existence.

The directors of the Taku Tug and Lighter Company will report the sale of "certain assets" at an Extraordinary meeting of shareholders next Thursday.

**POST OCCUPIED**

JERUSALEM, July 6 (Reuter).—An Allied column advancing from Palmyra occupied, without opposition, oil pipeline post No. 4 about 30 miles on the way to Homs.

**CONSIGNEES' NOTICES****NOTICE TO CONSIGNEES****THE BEN LINE STEAMERS, LTD.**

THE S.S. "

From LONDON AND STRAITS

CONSIGNEES of Cargo are hereby informed that all Goods are being landed at their risk into the hazardous and/or extra hazardous Godowns of the Hong Kong and Kowloon Wharf &amp; Godown Company, Ltd., whence and/or from the wharves delivery may be obtained.

No Claims will be admitted after the Goods have left the Godown, and all Goods remaining undelivered after the 11th July, 1941, will be subject to rent. All Claims against the vessel must be presented to the undersigned on or before 26th July, 1941, or they will not be recognised.

To comply with the General Bonded Warehouse Regulations, Consignees must have a Revenue Officer in attendance when damaged dutiable goods are examined.

All broken, chafed and damaged Goods are to be left in the Godowns, where they will be examined on the 9th July, 1941, at 9 a.m. by Messrs. Carmichael &amp; Clarke.

No Fire Insurance has been effected. Bills of Lading will be countersigned by W. R. LOXLEY & Co. (CHINA) Ltd. Agents.  
Hong Kong, 6th July, 1941.**P. & O.**

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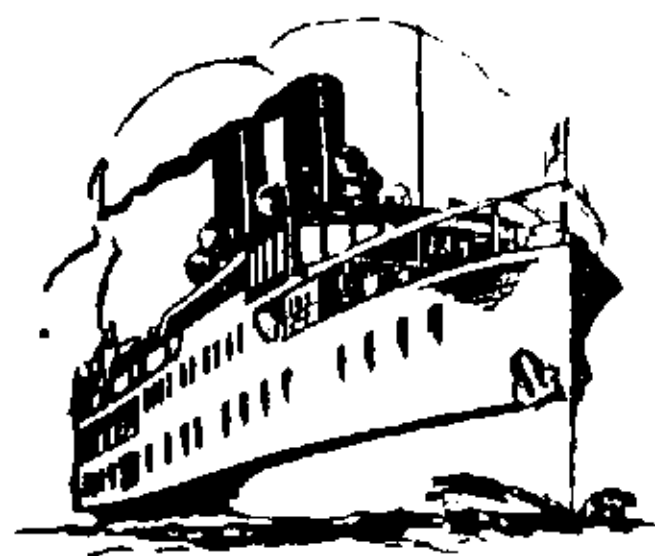
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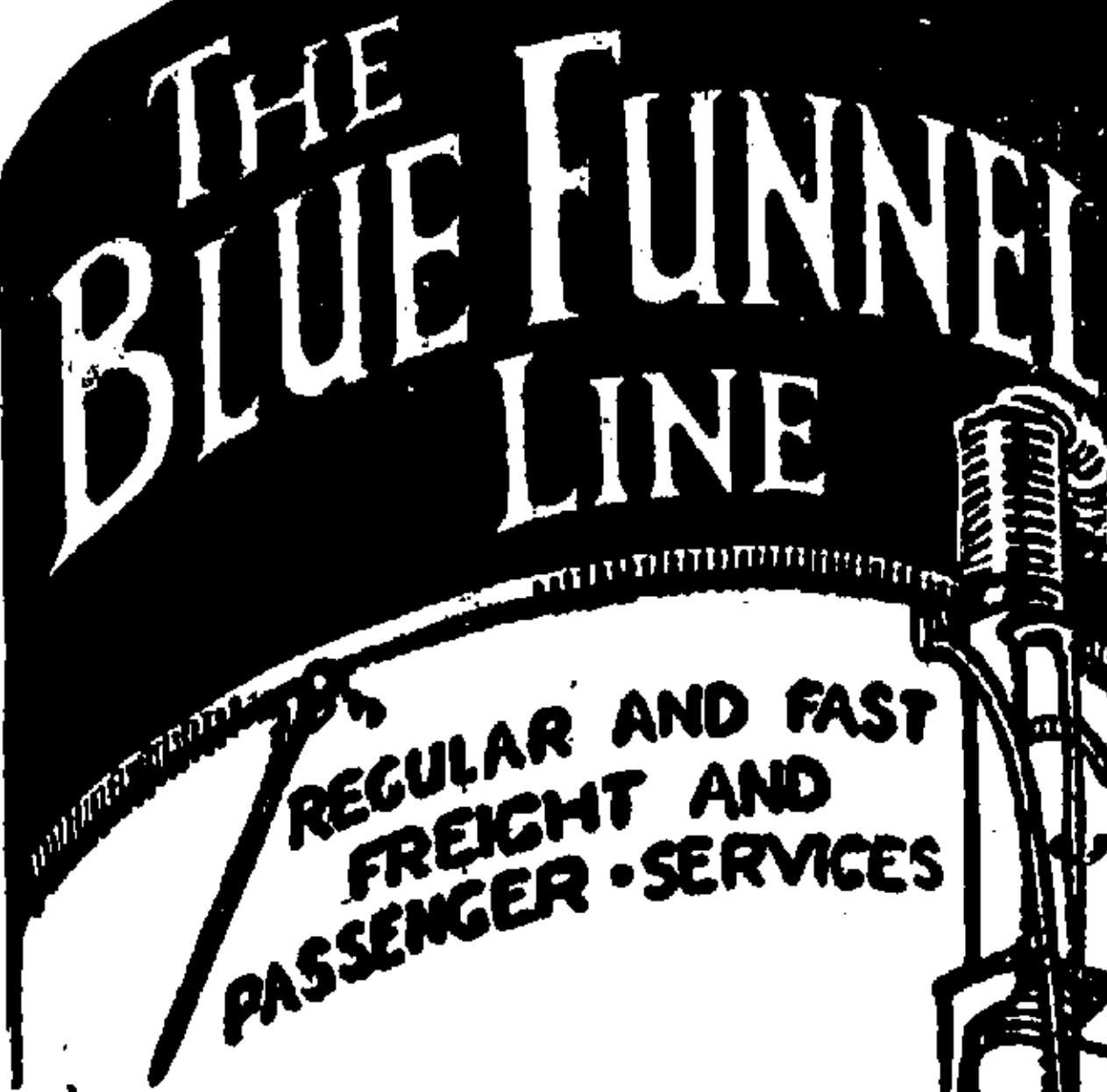
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1, Connaught Road.

## American Freedom Threatened By Naziism

LONDON, July 6 (Reuter).—The United States Independence Day and President Roosevelt's broadcast thereon form the subject of editorials in the leading London and provincial newspapers which emphasize that the cause of American freedom and world freedom are alike threatened by Nazism. The DAILY TELEGRAPH says that the celebration of Independence Day in the United States this year could not fail to be shadowed by the sense of imminent danger. It was this which inspired President Roosevelt's warning that the fundamentals of the Declaration of 1776 are being struck down abroad and threatened here.

## EXTENSIVE R.A.F. RAIDS ON ENEMY TERRITORY

LONDON, July 6 (Reuter).—The outstanding feature of the R. A. F. raids over Germany and German-occupied territories during the week ended dawn on July 4 was the extension of daylight raids to Germany itself, during which docks at Bremen, Kiel and railway yards south of Oldenburg were successfully bombed. Night operations were also signally successful. The Krupp Works at Essen were set ablaze on the night of July 3-4. The port of Bremen and the industrial district of Bremerhaven also sustained heavy night attacks, the former being raided five times. Other R. A. F. objectives were the naval base at Sylt and the seaplane base at Borkum.

## Hungry Boy And Packet Of Cakes

The sight of a small packet of cakes, dangling loosely from the fingers of a woman about to get into a rickshaw outside Sincere's a little after 4 p.m. on Saturday, proved too great a temptation to a half-starved Chinese boy, about 10 years old, who made a grab at the package. The victim raised the alarm of "snatching", whereupon a few passers-by, seeing a boy running past and, apparently under the impression that the woman had been victimised of a handbag or earrings, gave chase. When the culprit was cornered in the street between Sincere's and Sun Co., he told his captors of his hunger. On his handing back the packet to the woman—who was still raising a terrific outcry—the small boy was given a couple of light slaps by a Chinese male and released.

## Afghanistan Will Remain Neutral

KABUL, July 6 (Reuter).—Afghanistan's decision to remain completely neutral in the present war is emphasised by King Zahir-shah, opening the second annual session of the Fourth Afghan Parliament.

## Indian Defences On N.W. Frontier Are Adequate

LAHORE, July 6 (Reuter).—A declaration that Punjab soldiers have proved in Keren and Libya that they match any other body of soldiers, was made by SIR SIKANDER HAYAT KHAN, Premier of the Punjab, who said that he was confident, and military experts agreed with him, that Indian defences on the North-West frontier are quite strong and adequate to prevent an attack by land forces. He added that arming Indian defences with modern weapons is proceeding rapidly, while tanks and aeroplanes are being built in India. He hoped the Allies would be able to take the offensive next year and turn the Nazis out from the countries they have conquered. He revealed that in his province, the Government had completed an internal security scheme providing for mobile police troops. There was hardly any point in the province, where the authorities could not strike effectively against organised violence within a short time.

## NAZI LEADERSHIP DISAPPEARING

LONDON, July 6 (Reuter).—"Only mental, moral or material weakness could account for Herr Hitler taking the unnecessary risk of retreating his steps and attacking Russia before his westward aims are achieved," declared THE TIMES in an article on June 30.

"Germany is now a military dictatorship, and Nazi leadership is disappearing. Dr. Ley knows he is through and Dr. Goebbels has been given a chance to show co-operation with the new set-up. Minor party leaders are being liquidated. Herr Boerner, head of the Press section of the Propaganda Ministry, disappeared three weeks ago."

### GESTAPO ROUND-UP

"After the flight of Herr Hess the Gestapo rounded-up truckloads of men in north Berlin in Storm Troopers uniform."

"Herr Hitler has lost contact with his people and it sometimes takes weeks for officials to see him even on super highly important matters, and then Herr Hitler uses them as an audience to rant at."

"No one dares suggest to Herr Hitler that the people are not behind him or bring his attention to the discontent among the people. When Herr Hitler speaks to cheering factory workers he does not know that he speaks to minor party leaders recruited from other factories and that most workers have been given a holiday."

### KNEW DISCONTENT

"Herr Hess knew the German discontent better than anyone and wanted the British to sue for peace. Herr Hess was sure that if Russia refused the German demands, Germany would declare war and Herr Hess feared that if Britain and the United States continue the war Germany would bog down in Russia."

## 5th Column Activities Intensified In Japan

Nazi fifth column activities are being intensified in Japan, according to a writer in a New York paper. This organisation, says the writer, is attempting to make the Japanese Government a totalitarian government on the German model. It consists of 3,000 executives under the charge of the German Ambassador, General Ott. The Tokyo Foreign Office now literally takes its orders from Berlin. The whole purpose of the organisation's activities is to bring Japan into conflict with America.

## RATIONING OF PAPER

First indications of Government proposals to ration the use of newsprint within the Colony and to limit its import were provided on Saturday by publication in the Gazette of a notification placing newsprint (or similar paper intended for other purposes) under the virtual control of the Director of Supply, Lt.-Col. R. D. Walker, M.C.

Effect of the addition of Newsprint to Schedules One and Two of the Order is to require persons controlling stocks of newsprint within the Colony to disclose the quantity and its place of storage, and to provide the Director of Supply with a monthly return.

## Unconvincing German Propaganda

"When Nazi propagandists try to put over a story they only give the bare outlines with picturesque facts and figures to make the story more interesting," said MR. FERGUSON, the well-known commentator, in a new series broadcast from London yesterday, entitled "Lasting Post."

### GOEBBELS' METHODS

Mr. Ferguson said that this was a sound principle but sometimes the Germans overreach themselves. He proceeded to give an example of Dr. Goebbels' methods. He said that one of the reasons which have been given for the attack on Russia was that Russia was about to attack Germany. That was the bald announcement. Later came some details.

The German radio stated on June 22 that M. Stalin was all prepared for a war on Germany that week. Later, in the same evening, it was stated that M. Stalin's preparations to resist Germany proved his intention to attack the Reich.

### ZERO HOUR

On June 22, the end of August was named as the zero hour and the same announcement was made on June 26. Those broadcasts were sent to South America, but on the same day German home radio stations declared that a secret report received by the German High Command disclosed that a huge Soviet army had been concentrated for an attack on Warsaw on July 5.

"So there you have Dr. Goebbels saying that the Russian threat was timed for the last week in June, and on June 30 another home station said that Germany had succeeded in preventing at the last moment an invasion on Europe, and that the German attack had stopped the projected onslaught on the European continent," said Mr. Ferguson.

"So, according to Dr. Goebbels, this Russian attack was carefully timed for the last week of June, July 5 and the end of August. These stories were told to different audiences on the same day, but it furnished corroborative evidence of the unconvincing nature of Dr. Goebbels' narratives."

## SIR G. CAMPBELL

Sir Gerald Campbell, Director-General of British Information Services in America, arrived in London by air yesterday from Lisbon.

## No. 6 Typhoon Signal Up

Contrary to expectations—the No. 1 signal having been lowered at 2.16 p.m. on Saturday—the NO. 6 SIGNAL (gale expected from the S.W.) was hoisted at the Royal Observatory at 3.25 o'clock yesterday afternoon.

At 5.20 p.m. the typhoon was reported to be situated in Lat. 24N., Long. 115 E., moving in a north-westerly direction.

On Saturday it was believed that the typhoon filled up somewhere to the south and east of the Colony although a report from Manila gave its position as "over the North China Sea, moving west or west-north-west."

The No. 1 local signal was originally hoisted at 2.05 p.m. on Friday.

## JUNK SUBMERGED

According to the Police, a class 2 boat No. 1805V, loaded with firewood, is reported to be completely submerged yesterday about 200 yards off the sea wall of the Royal Naval Camber near the Vehicular Ferry Wharf at Jordan Road, Kowloon. Two people on board the boat were slightly injured. The cause of the sinking is not known, but it is presumed to have been due to bad weather.

## CHINA BEATEN

SYDNEY, July 6 (Reuter).—In the second soccer test, Australia beat China at Sydney by four goals to two. At half-time, China led by 3-1.

## FOREIGN MAILS

HONGKONG MONDAY, 7th JULY, 1941.

Airmail Service by British Overseas Airways Corporation to East & South Africa, United Kingdom and beyond is temporarily suspended.

The public are reminded that it is a breach of postal regulations to enclose in a postal cover communications intended for persons other than the addressee.

The Printed Matter Service to the following places in China is temporarily suspended:—

Yunnan  
Szechuen  
Kweichow  
Hunan  
Fukien (except Amoy and Kulangsu)  
Kwangsi  
North and East of Kwangtung

Small Packet Post to all countries is suspended.

## INWARD AIR MAILS

From	Due
Air Mail by "Pan American Airways Direct Service"—San Francisco date, 8th July.	15th July
Air Mail by "Pan American Airways Direct Service"—San Francisco date, 22nd July.	29th July

## OUTWARD AIR MAILS

For	Date and Time
<b>MONDAY</b>	<b>Mon. 7th July</b>
	<b>K.P.O.</b>
	Reg. 4.00 PM
	Ord. 4.30 PM
	<b>G.P.O.</b>
Air Mail by Air to Rangoon to connect with the "British Overseas Airways."	Reg. 4.00 PM
	Ord. 4.30 PM
<b>TUESDAY</b>	<b>Tue. 15th July</b>
	<b>K.P.O.</b>
	Reg. 5.00 PM
	Ord. 5.30 PM
	<b>G.P.O.</b>
Air Mail for Manila, Guam, Honolulu, U.S.A. and Europe via "Pan-American Airways and Trans-Atlantic Services"	Reg. 5.00 PM
	Ord. 7.00 PM
<b>TUESDAY</b>	<b>Tue. 25th July</b>
	<b>K.P.O.</b>
	Reg. 5.00 PM
	Ord. 5.30 PM
	<b>G.P.O.</b>
Air Mail for Manila, Guam, Honolulu, U.S.A. and Europe via "Pan-American Airways and Trans-Atlantic Services"	Reg. 5.00 PM
	Ord. 7.00 PM

## What British Forces Have Conquered In Six Months

CAIRO, July 6 (Reuter).—In six months the British forces have conquered twice as much territory held by a modern army as the Italians acquired in 1935 from unorganised and ill-equipped forces.

This could not have been achieved without a resurgence of spirit among the Abyssinians who, unbowed by five years of Italian rule, rose to help the British forces to give them their freedom.

Their first ambition was achieved three months ago when five years to the day, after losing his throne, the Negus remounted it. Since the entry of South African and Patriot troops into Addis Ababa, hard and unrelenting fighting has been in progress to the south-east of Addis Ababa.

With the Indian troops thrusting to the south from Eritrea, the Italians were forced to fall back on mountain fastnesses in which they hoped to carry out the German instructions relayed by Rome that the Italians should hold out at any cost to prevent General Wavell from using the East African forces to reinforce other theatres of war.

## NATIONAL CITY BANK DECISION

SHANGHAI, July 6 (Reuter).—The local office of the National City Bank today announced that because of abnormal trade conditions, it has been decided temporarily to consolidate operations of the Peking and Canton offices of the National City Bank with the Tientsin and Hongkong branches, respectively.

The Peking office will close on July 31 and after that date, any enquiries should be directed to the Tientsin branch of the Bank. The Canton office will close on August 31 and after that date any enquiries should be directed to the Hongkong branch.

## RUSSO-JAPANESE CONFLICT

CHUNGKING, July 6 (Central).—According to a foreign report from Shanghai, a clash has occurred between Japanese and Russian troops on the Manchurian-Soviet border but official confirmation of the report is as yet lacking. The message adds that it is rumoured that Japanese ships in the Pacific are being recalled home.

## 318 DEAD

NEW YORK, July 6 (Reuter).—Three-hundred-and-eighteen people lost their lives as a result of accidents in the two-day Independence Day holiday in the United States.

## DUTCH GOVT. TO MOVE?

SHANGHAI, July 6 (Reuter).—The Netherlands Government is considering removal from London to Washington in view of the fact that the latter is the centre of world politics and also because the United States Government decides the fate of the Indies' defence provisions, says a Japanese report quoting the official digest of a debate of the N.E.I.'s People's Council.

## PURSE LOST

Mrs. M. Ellis, manageress of the Claremont Hotel, reports the loss of a lady's blue purse, containing \$35 in money and a bunch of keys, from the yard of the hotel on July 1, about noon.

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